INSIDE: John Turner and the Liberal search for consensus

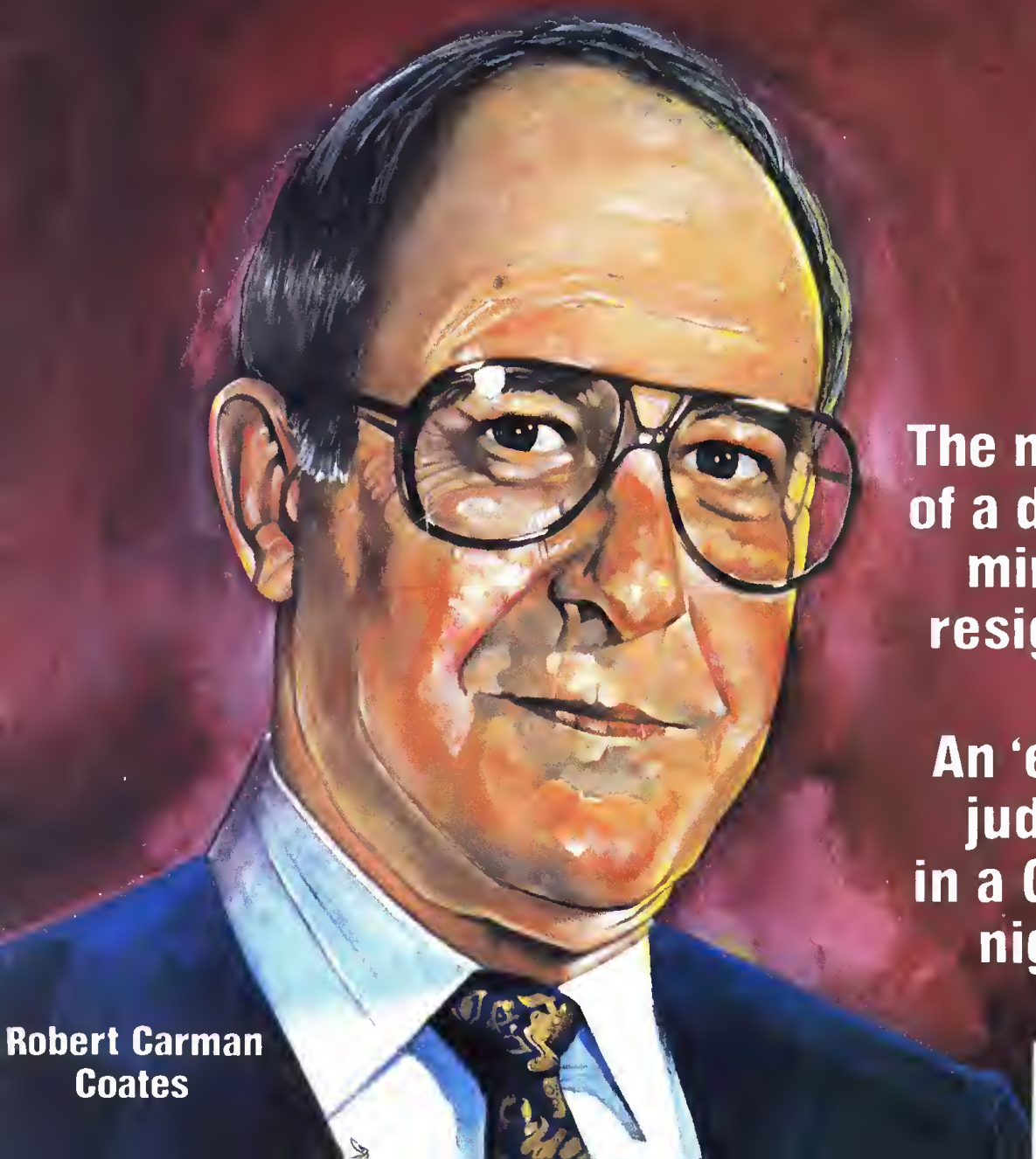
Maclean's

FEBRUARY 25, 1985

CANADA'S WEEKLY NEWSMAGAZINE

$1.50

THE 'TIFFANY' FACTOR



The mystery of a defence minister's resignation

An 'error in judgment' in a German nightclub

Robert Carman Coates

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Maclean's

FEBRUARY 25, 1985 VOL. 98 NO. 08



The Liberals: starting over

John Turner's Liberals say they are finished wrangling over the wreckage of their party and they are now striving mightily to put it all back together again —*Page 12*



Enterprising health care

Squeezed by shrinking budgets and soaring costs, hospitals are turning to private health care companies, which offer relief from their problems—for a price. —*Page 50*

COVER

The 'Tiffany' factor

Against the background of Ottawa gossip about the performance of veteran MP Robert Coates as Canada's defence minister, the revelation of his visit to a West German strip club called Tiffany led to his resignation last week from the cabinet, placing even more strains on the still-young Conservative government of Prime Minister Brian Mulroney —*Page 28*

COVER ART BY GARY MCLAUGHLIN



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Isreal's perilous withdrawal

The state of Israel took a first, wary step back in Lebanon on the weekend, amid mingled hopes and fears for an eventual peace in the Middle East —*Page 40*



The wild one

Free-living Chaka Khan, America's hottest female singer, has been a wild musical presence since 1972. Now she says she has found a new maturity —*Page 39*



The whole truth

The most astonishing aspect of the resignation of Robert Coates as defence minister is that it happened at all. When the Ottawa *Citizen* courageously published a carefully worded front-page story on Feb. 12 outlining Coates's visit to a strip club near the Canadian Forces base in Lahr, West Germany, the minister promptly announced that he was stepping down. But as Senior Writer Robert Miller's cover story points out, Prime Minister Brian Mulroney had known —or was in a position to know—about the incident for at least three weeks and had apparently satisfied himself that there had been no breach of security.



BRIAN WILLER/MACLEAN'S

Millar: for a full accounting

As a result, *The Citizen* story appears to have been only a catalyst—not a cause—of the resignation. Coates claimed that he did not want to embarrass his family by having to undergo questions about what he had done. But *Maclean's* and other publications swiftly established that the worst the minister might have been exposed to was a couple of pornographic movies. That should not have proven to be a difficult situation to explain to the Canadian public.

Instead, the minister chose to resign from one of the most powerful and influential jobs in the nation. And that action raises fundamental questions. The explanation offered by both Mulroney and Coates is just not credible—and every caring Canadian now has the democratic right to demand a full accounting of the facts of the case. As well, it is the time for John Turner, Ed Broadbent and the members of their two opposition parties to prove that they are ready and willing to force a full disclosure.

Kevin Doyle

Maclean's Feb. 25, 1985

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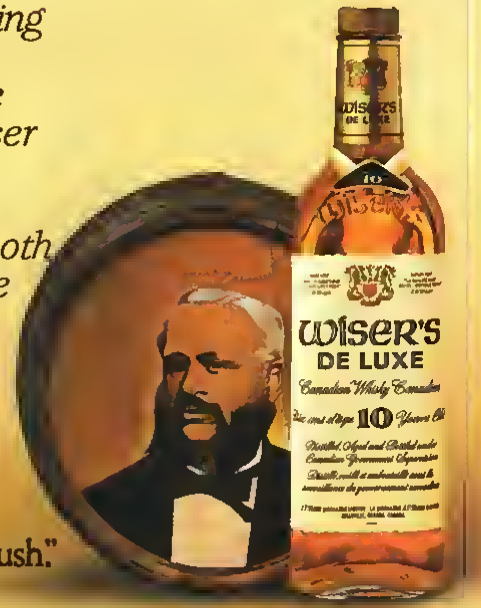
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LETTERS

Educated options

Peter C. Newman's column on the Bovey commission ("A crucial plan for universities," Jan. 28) praises the new approach to funding higher education in Ontario. By raising tuition fees by 30 to 45 per cent, it is hoped that universities will operate more on a user-funded basis. However, in a modern postindustrial economy we all benefit from having an educated populace. Students are not "consumers" of education, in which case a user-pay system makes sense. Instead, postsecondary institutions turn out product-educated women and men, who go on to enrich our nation. The commission recommends reducing available space and increasing tuition while assuring us that access remains a priority. We must not allow universities to become once again the privilege of the elite.

—KEVIN JOHNSON,
Commissioner of Internal Affairs, University of Windsor, Windsor, Ont.

Peter C. Newman's preoccupation with the Horatio Alger "rags to riches" theme—Canadian style—prevents him from offering any substantial comments on the Bovey commission's "crucial" report. The privatization of education alluded to in the report is frightening and naïve. If Newman and Bovey had been truly impressed with current university efforts to cope with financial restraint, they would have detailed them. They would not be content to offer students the elitism characteristic of the U.S. education system in exchange for limited accessibility and higher tuition fees, which could reach $1,700 without inflation by 1990.

—ELIZABETH BELCH,
Ottawa

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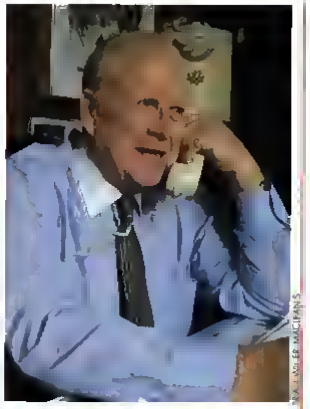
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Ballard: not in the same league

A change of heart

When such teams as the Edmonton Oilers, Winnipeg Jets and Quebec Nordiques were attempting to join the National Hockey League, Harold Ballard insisted that the teams should not play in the same league as the Toronto Maple Leafs. ("Harold Ballard's slapstick Leafs," Cover, Jan. 28) I resented his statement at that time, but I have reconsidered and I can now state unequivocally that I agree with him.

—G.W. FOSKETT,
Victoria

Correcting the bite

Regarding "The new price of a smile" (Health, Jan. 28) in stressing the perils of periodontal disease resulting from orthodontic treatment you missed the point completely. In fact, the cause of most adult periodontal disease is the crowding and tipping of teeth and the skeletal mismatch of the jaws, which calls out for orthodontic realignment and, if necessary, surgical repositioning of one or both jaws. Having myself performed thousands of these jaw operations, I know that the case quoted of Luisa Carlucci is an overdramatized, misleading and certainly an untypical case history. For example, saying that the oral surgeon "broke and reset" the jaw is about equivalent to saying that a neurosurgeon would "break" the skull as part of a neurosurgical operation. The fact is the jaw is precisely cut and then repositioned, and many jaw operations do not require immobilization for six weeks.

—S.J. FISHER, DDS, FRCD,
Victoria

PASSAGES

DIED: Author and writers' advocate **Marian Engel**, 51, of cancer in Toronto (page 60).

SENTENCED: Canadian Forces Cpl. **Denis Lortie**, 25, to life imprisonment for murdering three civil servants during his submachine-gun rampage last May at the Quebec national assembly. The verdict, reached after 19 hours of deliberation, means that Lortie will not be eligible for parole for 25 years. He still faces nine other charges of attempted murder. Lortie's lawyers, who failed to convince the jury that their client was not guilty by reason of insanity, announced that they will appeal the case.

SENTENCED: In his absence, **William Player**, 37, one of the key figures in the 1982 $500-million Toronto apartment sale controversy, to two years less a day in jail, for contempt of court after he defied a judicial injunction forbidding him to dispose of his assets. The action was launched against Player by three trust companies in 1983 after he sold more than 10,000 apartments that he had bought with the help of $152 million in financing from the companies. Player's lawyer, **Roy Stephenson**, said he expected his client to return and begin serving his sentence. At that time an appeal will be launched.

APPOINTED: Ottawa parliamentary correspondent for Toronto's *Globe & Mail* **James Rusk**, to the newspaper's Peking Bureau. The 41-year-old Belleville, Ont.-born journalist has worked for the *Globe* since 1971, and he will replace **Allan Abel**, who is expected to take over the newspaper's Montreal bureau. Rusk is the *Globe*'s 12th correspondent in China since the paper opened the office in 1959.

DIED: Canadian journalist, television producer and author **Stephen Franklin**, 62, of a heart attack at his home in Toronto. A feature writer for *Weekend Magazine* from 1954 until the publication folded in 1979, Franklin founded the National Magazine Awards in 1977. His best-known book, mini-biographies about famous Canadians, *The Heroes: A Saga of Canadian Inspiration*, is a staple in many school libraries.

DIED: **Nick Colasanto**, 61, known to millions of North American TV viewers as Coach, the sweet and simple bartender on the hit NBC series *Cheers*, of a heart attack at his Hollywood home. Colasanto, who appeared in dozens of television shows, also appeared in such films as *Raging Bull* and *Family Plot*. Said *Cheers* co-producer **Glen Charles**: "We will not try to have another Coach. He is irreplaceable."

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Taking a second look

It appears that Allan Fotheringham has not driven through Sudbury for many years or he would not be comparing it to "the face of the moon" or "dried hair gel" ("The disposable environment," Column, Feb 4). May I suggest he take time to have a thorough visit to Sudbury, then, after making a public apology for his comments, write a column on one of the most beautiful and friendliest cities in Canada.

—ROBERT SNOWDON,
Whitefish Falls, Ont.

Against overbearing patriotism

Charles Gordon ("In search of a reason to celebrate," Column, Feb 4) suggests that we Canadians don't indulge ourselves in our heroes, holidays and sporting events to the extent Americans do because of our ambiguous feelings for our past. Patriotism need not manifest itself as brashness or arrogance. American narcissism at home may provide "boring halftime shows" but abroad it has created the "ugly American." As for myself, I prefer our modest positive reputation abroad and I enjoy celebrating our national events without the overbearing hype the Americans seem to love so much.

—DAVID J. RAFFA,
Downsview, Ont.

Shattering an illusion

I was dismayed and disillusioned by Allan Fotheringham's defence of the CBC ("Curbing the lust for revenge," Column, Jan. 28). For years I have admired the splendid spear of his iconoclastic journalism. No fat-est institution or pompous person was safe from his lance. But I now perceive clay feet. Foth will, it seems, deal with any and all pomposities, except when it comes to his own tight little circle of friends and colleagues. He comes rushing to the defence of Elizabeth Gray, Peter Gzowski and Barbara Frum. He has beaten his sword not into a plowshare but rather into a whine pot. People like Frum have the unique capacity to cling happily onto the back of the sacred cow of the CBC. Nothing will change in the CBC. A $75-million cut in a multimillion-dollar budget is a token gesture only. It will continue to be one of the biggest rip-offs of taxpayers in history. But the ultimate wound is Fotheringham's betrayal of his sacred trust which is to sabre blather and egoism wherever it is found. The last illusion is shattered.

—NEIL COLVIN,
Sherwood Park, Alta.

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Mail correspondence to: Letters to the Editor, Maclean's magazine, Maclean Hunter Bldg., 777 Bay St., Toronto, Ont. M5W 1A7



Why the home on the left shouldn't be heated like the home on the right.

On the left? Bill and Kim, the twins, baby Sarah, Alfred their noble St. Bernard, and a hamster named Bob. They've revitalized their furnace with an electric plenum heater; it's one of the most economical ways to cut winter fuel bills. And they've turned the drafty old attic room into a warm nursery with insulation and inexpensive, easy-to-install baseboard heaters. There's a separate thermostat, so baby's room can be kept at exactly the right temperature without overheating the rest of the house. Alfred, of course, now prefers the new attic.

On the right? Mike and Stella - empty-nesters. They've installed an add-on electric heat pump to help save money and heat their home in winter and they're looking forward to the comfort of air conditioning next summer. It was easy to add, cuts their heating costs and adds to the value of their home.

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The middle class returns to Harlem

When Quincy and Margaret Troupe, a black couple, moved to Harlem nearly six years ago, their building on 116th St. and Adam Clayton Powell Jr. Blvd. was a testement to decades of decay. "The walls were covered with graffiti, the elevators were broken and smelled of urine, the windows were cracked, running water was sporadic, and the stairwells were full of junkies," says Troupe, 42, an author and professor of American and Third World literature at the College of Staten Island (CUNY). But their buildings. Says Troupe. "The streets look better now — and they're safer."

Soaring real estate prices are leading a growing number of New Yorkers to look at this five square miles of Upper Manhattan as the city's last enclave of affordable housing. Widely known as one of America's worst ghettoes, Harlem seems to be on the verge of a major revitelization. Real estate brokers report a waiting list of buyers for Harlem's historic brownstones, and builders are considering constructing luxury condominiums on its southern fringe.

The next two decades were a golden era. Harlem flourished as the hub of black culture and entertainment. Rich white patrons packed the Cotton Club and other nightspots to see great performers like Billie Holiday, Duke Ellington and Cab Calloway. After the Second World War, Harlem began to decline as drug use and crime increased — and black entertainers began winning acceptance in downtown areas. Housing deteriorated, and members of the black middle class left for better neighborhoods. Commerce died. Schools and hospitals closed. Movie theatres shut down. Merchants fled.

Now, Harlem bears the scars of that decline. Despite its few well-kept areas, its bleak landscape is dominated by more than 1,300 abandoned and burnt-out buildings. Unemployment is twice the New York City average. Its infant mortality rate is 50 per cent higher, and there is a severe shortage of doctors. At the turn of the century lavish apartment houses were going up. But in 1905 New York's real estate market collapsed, leaving many of the new buildings empty. At the same time, redevelopment in downtown areas displaced large numbers of black residents, who then moved to Harlem. Massive black migration from the South added to the neighborhood's transformation, and by the 1920s Harlem was predominantly black.



Run-down tenement and refurbished brownstone: to some, Harlem offers 'the best real estate values in Manhattan'

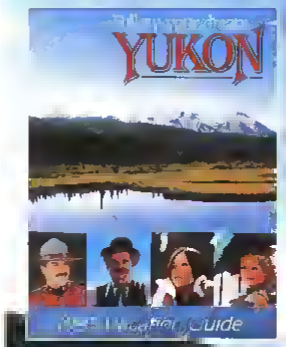
low-rent, 10-room apartment with a view of Manhatten's skyline was too good a bargain to give up. Determined to restore the turn-of-the-century building's architectural beauty and eager to recruit more responsible tenants, the Troupes actively encouraged other black professionals to move in.

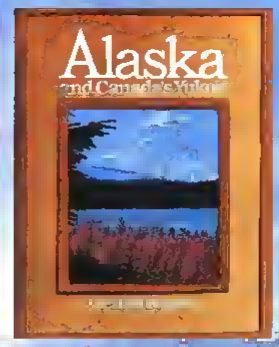
The improvements to the building have been striking. The huge wrought-iron front gate has a lock and security guard. Graffiti has been scraped from the arched entranceway, the original marble columns have been cleaned, and newly planted trees decorate the courtyard. The halls are freshly painted. The elevators work. As the ubiquitous drug addicts disappear from the neighborhood, lawyers, writers and actors are moving onto the block, and other middle-class blacks are renovating nearby CitiBank has funded a project to promote tourism in Harlem, and the Harlem Urban Development Corp. (HUDC) is giving the area's main avenue, 125th St., a much needed face-lift. Community leaders have ambitious plans for the area's commercial rebirth, which they say will be fuelled by the reopening this spring of the legendary Apollo Theater. "The Apollo embodies the spirit of Harlem," says Lloyd Williams, president of the Uptown Chamber of Commerce. "When it opens, people will know this area is alive again."

Harlem was not always a depressed area associated with crime and slums. Settled in 1658 by Dutch traders, the village of Nieuw Haarlem became an affluent white suburb by the mid-1800s. The finest architects of the time built its elegant town houses and estates, and by

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the same time, about a quarter of its residents are on welfare, and Harlem's population, which was 780,000 in 1950, has dropped to about 300,000.

Local promoters say that a Harlem rebirth will benefit the people who live there by creating more jobs and pumping new money into the community. They add that the return of middle-class blacks will provide political and cultural leadership and bring a renewed sense of pride to the area. "When I was growing up here, we had real role models," says congressman Charles Rangel. "We must bring them back."

But New York City officials will determine whether those objectives will be achieved. The city has taken over increasingly large tracts of land when owners defaulted on property tax and it now owns almost 70 per cent of Harlem. According to R. Vincent Hammond, an administrator at the department of city planning, the current development strategy would reserve 20 per cent of city-owned buildings for low- and moderate-income housing. The rest will be sold at market rates. This spring the city will sell 152 Harlem brownstones, 65 per cent of which are designated for local residents. "The houses could cost as little as $5,000," says Hammond. "But they will require at least another $100,000 in renovations, and most Harlemites cannot afford that."

Harlem's new popularity is also attracting a few white residents to the area. Jeffrey Rouault, for one, a 41-year-old lawyer, spent $125,000 renovating a Harlem house. Five years ago he bought an abandoned five-storey neo-Renaissance town house in the historic Mount Morris park district for $25,000. In retrospect, he says, it was a low price to pay for a building that features 14-foot ceilings and what are now splendidly restored wood parquet floors, huge tiled fireplaces and grand mahogany staircases. Several burglaries forced Rouault to install security bars on his windows, and an abandoned, rat-infested tenement borders his backyard. But, he says, "The entire block next door is being renovated, and at least a dozen other houses have been fixed up. Harlem has the best real estate opportunities in Manhattan, and it is just a matter of time before people start jumping in."

For now, no one is expecting a white invasion. But the influx of middle-class blacks alone will bring all the trappings of an upwardly mobile society to Harlem. "Middle-class blacks have the same tastes as middle-class whites," says a black resident of more than five years. "We like Perrier and croissants and we want the kind of stores that sell them." Attracting businesses back to Harlem, however, is likely to be a slow process. Indeed, Webb & Brooker, the largest real estate firm in Harlem, has been trying unsuccessfully to lease an office building on 125th St. to companies for several years—even though the rent is half the cost of office space downtown.

Still, HUDC is seeking funds for a third World Trade Center, shops and a 500-room hotel. Work has begun on a shopping mall on 125th St. and there are plans for a second mall with boutiques and art galleries. The old Loews Victoria will reopen later this year, giving Harlem its first movie theatre in a decade.

Promoters of a Harlem renaissance envision an integrated community of mixed income earners. But the area's soul, they say, must be shaped by its black heritage. Said HUDC director Donald Cogsville. "Harlem means a lot to black people. Even those who weren't born here feel roots in the community and will fight to preserve its cultural identity." Added Quincy Troupe, who grew up in St. Louis and formerly lived in a mostly white New York apartment house. "At first we moved here for the space, but soon we realized it was a symbolic return. For the first time in years we are living in a place that feels like home." —THEODORA LURIE

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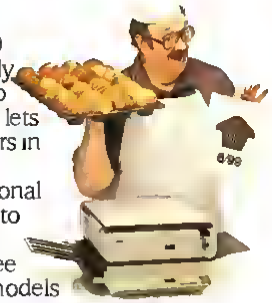
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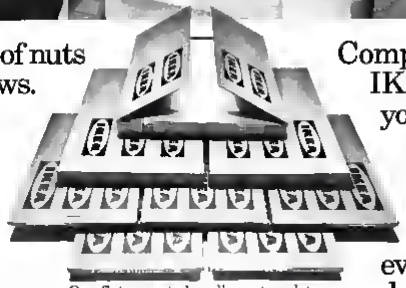


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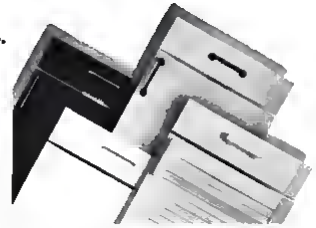


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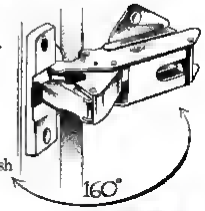
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Q&A: GILBERT PAQUETTE

The voice of a renegade

Earlier this month the former Parti Québécois minister of science and technology, Gilbert Paquette, one of the principal architects of the party's abandoned sovereignty-association stance, crossed the floor of Quebec's national assembly to sit as an independent. Still loyal to the ideal of an independent Quebec, the 42-year-old former schoolteacher would figure prominently should a new separatist movement emerge from the ashes of the old. He spoke recently about the possibility with Maclean's *correspondent Alycia Ambroziak in his nondescript office above a corner restaurant in the lower-middle-class riding of Rosemont in northeast Montreal.*

Maclean's: *You are one of seven ministers who have left the cabinet. Did you consult with Premier René Lévesque before your decision?*

Paquette: No, but I have had occasion in past months to speak with him a couple of times and he knew very well that his radical change of orientation in the PQ would cause such a reaction on our part. Personally, it has become impossible for me to fight inside the party. We have a party unlike any other party: it is sovereigntist in its program and federalist in its political actions. People who want to work for the sovereignty of Quebec lose their energy inside the Parti Québécois.

Maclean's: *What are your plans now?*

Paquette: I think that the *indépendantiste* kind of opinion in the population of Quebec is still a strong one and it needs to be represented on a democratic basis in the national assembly. Until the next election, as an independent MNA with my other colleagues, I intend to represent that opinion in the national assembly. I think that sooner or later we will need an *indépendantiste* party in Quebec again that acts toward sovereignty.

Maclean's: *Are you waiting for the results of the next election before deciding whether it should be a new party or whether you and the other* indépendantistes *could go back to a PQ that would once again stand for independence?*

Paquette: I think that we should focus on having a movement that is credible, and the sooner the better so that it can be ready for any event. We can do some things in the next election, but I think we can bring real changes to society on a four- or five-year basis. There is still a basic core of 20 per cent of the population that is for the independence of Quebec, and on that we can build. We will not start again at zero level.

Maclean's: *When do you expect to announce the formation of this new movement?*

Paquette: I think that collectively we will be able to decide at the end of February and then start organizing.

Maclean's: *Does it have a name?*

Paquette: Not right now, but it will probably turn around the words and idea of independence and new society.

Maclean's *Do you feel that all your years in the PQ have been wasted?*

Paquette. No, I feel that the last five years have been lost, but I have participated since the beginning, the enthusiasm of the first mandate, the disillusionment of the referendum and afterward the effort to start back again. We still have a lot of hope in the independence project because we have come a long way, starting with nearly succeeding in the referendum. So I do not think we have lost our time. We learned a lot.

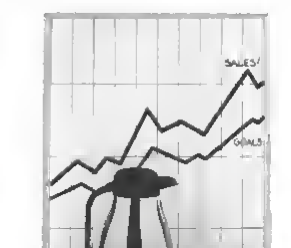
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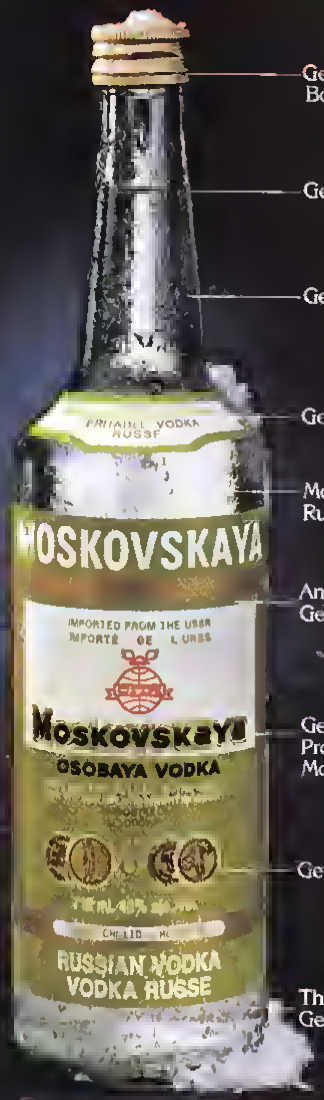
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FOLLOW-UP

Coal gets back on track

When diesel locomotives replaced coal-powered steam engines in North America 30 years ago, railroad company officials declared that the inefficient, air-polluting "iron horses" would never again see service. But since 1978 General Motors Corp. (GM), General Electric Co. (GE), American Coal Enterprises Inc. (ACE) and other U.S. companies have been competing to design a new generation of coal-burning engines. As a result of advances in coal combustion furnaces, microprocessor control systems and in the techniques of removing pollutants from raw coal, the new engines will bear little resemblance to their ancestors. Indeed, despite skepticism from many railroad company officials, some promoters claim that coal-fired engines will make the 28,000 oil-dependent engines in the United States obsolete. Said Ross Rowland Jr., the chairman of Lebanon, N.J.-based ACE: "The economics of switching back are 10 times stronger today [than when the country converted to diesel]."

Because coal is plentiful in the United States and costs about 75 per cent less than diesel fuel, coal-burning fleets could save U.S. railways an estimated $1.5 billion a year. But researchers are sharply divided on the most efficient engine design. Whereas ACE's locomotive would retain the traditional direct propulsion system of wheel pistons and connecting rods, National Steam Propulsion Co. of Woburn, Mass., for one, contends that the piston system is too difficult to maintain and it proposes to replace it with steam-fired electric motors. For their part, GE and GM are considering eliminating steam altogether and burning coal directly in ceramic gas turbines to power electric motors.

CSX Corp., the second-largest coal-hauling railway in the United States, announced last month that it would buy the first ACE locomotive. As well, the projects are competing this month for funding from a $750-million energy department coal technology fund. ACE is already running tests on a converted engine in the West Virginia mountains, and it is negotiating with Foster Wheeler Ltd., a boiler maker in St. Catharines, Ont., to build a prototype by late 1986. Said Rowland: "As a concerned citizen of the earth, where oil is a finite resource, the steam-engine project is a social obligation. But if it works I will make a ton of money."—ANN WALMSLEY

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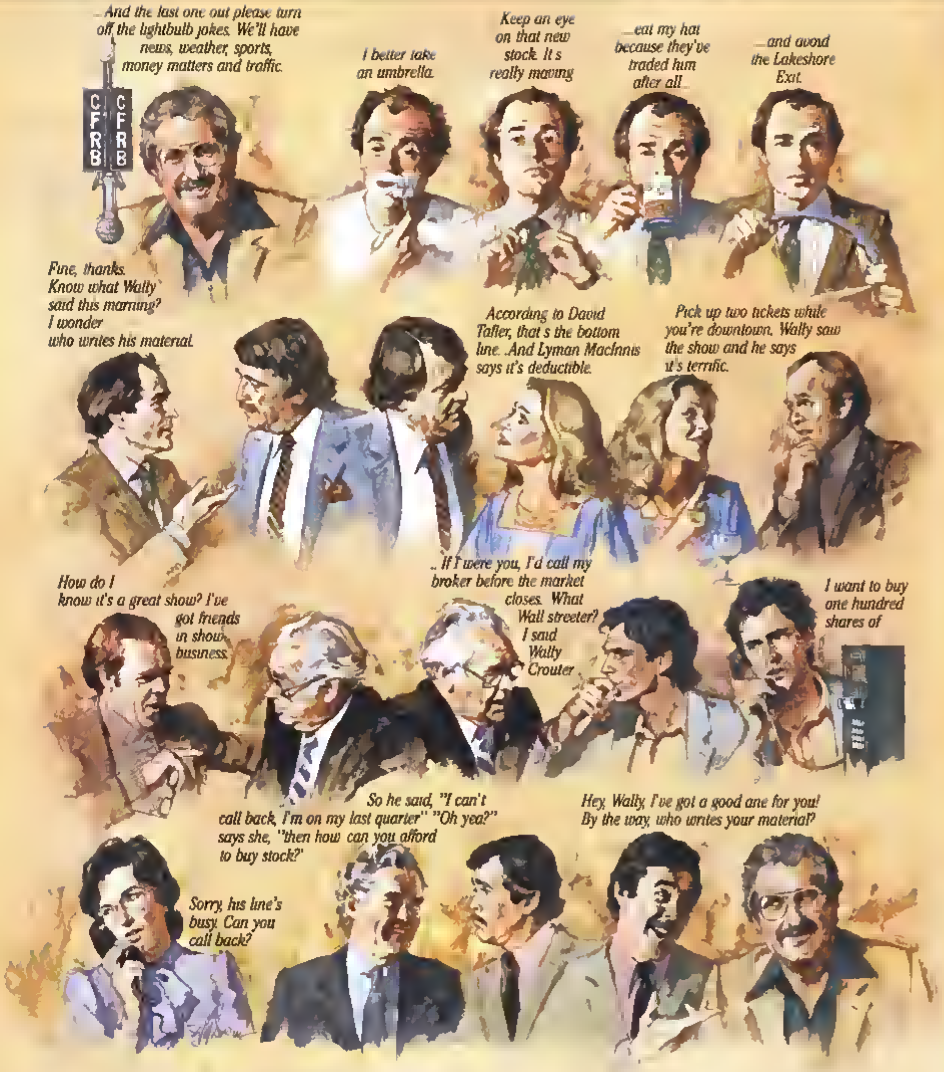
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COLUMN

Why the tax system needs revision



By Dian Cohen

Watching Finance Minister Michael Wilson perform these past few months, one is forced to wonder whether he is being set up to be the patsy for everything bad that's happening to the Canadian economy and whether he is caught between what he knows are the political realities and a department in which no one has cleaned house in decades.

The department of finance has never been noted for its broad, consultative approach to economic policy-making; quite the contrary. The department grew up in the 1950s and 1960s, when the powers of modelling, systems analysis and technical forecasting were brought to bear on a newfound but unshakable belief that only those in finance really understand the complexities of the economy. From Robert Bryce in the 1960s to Simon Reisman in the 1970s through to Mickey Cohen today, successive deputy ministers have shared similar views, not only of how the economy works but of the department's unique role in it.

The department's job, as defined by the department, has always been to stabilize the economy. This means maximizing employment, containing inflation and enhancing economic growth. These goals are to be achieved by manipulating the "big levers" of macroeconomic policy, basically monetary and fiscal policy, within the constraints of maintaining the external value of the Canadian dollar. Structural problems, should they arise, would in time take care of themselves. Says public policy expert Richard French: "Finance chose to protect its primacy as the initiator of stabilization policy so jealously as to jeopardize its effectiveness in the broad economic management role." Although much of the machinery of decision-making has changed in the past several years, French says the short-term nature of policies still exists.

But there is more to finance philosophy that is out of step with the times. Whereas once the function of taxation was simply to raise tax revenue, today Canadians are entangled in a web of tax regulations which also attempt to achieve social policy objectives: more apartment construction, scientific research, film development, to name a few.

In the real world in which the finance minister lives along with most of the rest of us, the views of the finance department are wildly out of step. It may be fine to bring to cabinet a single set of recommendations with no options for choice when unemployment is averaging four per cent and Canadians still believe that recessions are "acts of God." It's quite another thing to be contemptuous of consultation when one's economic recommendations have been less than entirely successful for the past 10 years, and indeed when virtually every move made has seemingly worsened the country's economic problems.

Wilson quite clearly believes that there are Canadians outside the finance department who have some ideas of merit. He has consistently made the point that Canada's economic problems cannot be solved by a series of short-term moves.

Canadians know that as well. The economy is burdened by structural dislocations (unemployment and the deficit to name just two) that will require specific long-term attention. They will not gracefully take care of themselves.

> ***'Today, Canadians are entangled in a web of tax regulations which attempt to achieve social policy objectives'***

Manipulating Canadians' behavior via the tax system has been none too successful either. Not only have many of the social objectives that tax perks were designed to achieve not materialized, the revenue-raising capacity of the tax system has been eroded.

Privately commissioned research in Canada reveals what is now publicly acknowledged in the United States: if they held a strong economic recovery tomorrow, tax revenues would not meet finance department expectations. There are two good reasons for this. First, the recovery in Canada, while it has been good for the bottom line of a great many corporations, has been a jobless recovery. That means, quite simply, that a million-plus people are not earning and are not paying taxes. Second, a great many Canadians decided a long time ago that if they could no longer afford a vacation in Florida it wouldn't be so hard to arrange a tax holiday: the size of the invisible economy is something the finance department is reluctant to contemplate. The Vancouver-based Fraser Institute, however, has put it at upward of $40 billion.

Tax reform, according to a recent Trend Report press release, is the fourth-ranking issue in the country. How then has it happened that the finance minister has taken it off the Conservatives' agenda?

The economic problems of the 1970s have, in the 1980s, generated a public consensus around economic development as a priority. Serious tax reform, in anticipation of that development, must now do several things the finance department seems reluctant to consider.

First, it must separate the function of revenue raising from social, political or cultural considerations. We've had our experiment with meshing diverse objectives. It hasn't worked. Not only that, but every time the other goals don't work out or become obsolete, the entire tax regime has to be unravelled. Canadians have now signalled that they want the system to raise revenue. Period. If something is to be subsidized, it can be brought to Parliament, where taxpayers can see it and politicians can vote on it.

Second, serious tax reform requires that the rules under which Canadians make their livings and invest their savings remain the same in December as they were the previous December. Third, the system must be understandable if there is to be any expectation that the middle class will come back from their extended tax holiday. This suggests some kind of modified flat-tax system. The bottom line is that something funny is going on that makes it difficult to understand why the finance minister (and the Prime Minister) are backing away from areas where the mandate for change is clear.

Richard French, a recognized authority on public policy, the author of a widely distributed study called "How Ottawa Decides" and since 1981 an elected member of Quebec's national assembly, says, "I don't believe in conspiracy theories in bureaucratic processes" and he quotes from James Q. Wilson, a U.S. policy expert with the Harvard department of government. " 'Other people see conspiracies where I see only incompetence.' "

The minister has been responding to the political realities by wanting to talk through alternatives and gather a public consensus. Who is holding up the follow-through? And why?

Dian Cohen is a Montreal-based economics writer.

The Liberals: starting over

By Mary Janigan

The party president and the party leader strode side by side out of a closed meeting in the Toronto suburb of Scarborough last week and told Canadians that the Liberals were on the rise. It was a bravura declaration by Iona Campagnolo—a failed candidate in last September's federal election—and John Turner, the man who was prime minister for only 80 days from June to September. But as members of the diminished Liberal caucus confidently left the meeting at the Guild Inn, reporters peppered them with questions about the security of Turner's leadership. Undeterred, the opposition leader and Campagnolo responded with confident predictions about party reorganization, policy renewal and procedural reform. "It is obvious to me that the period of therapy is over," Turner proclaimed. "And the period of renewal has begun."

Depression: That confident vow marked the start of the Liberals' struggle to revive their traumatized party. Less than six months after their crushing defeat in the Sept. 4 general election, Turner and the remnants of his once proud parliamentary caucus are finally emerging shakily from their shock and depression. They aim to build a modern machine with modern policies—against awesome odds. The party is in debt, its membership is depleted, its machinery is antiquated, and its internal disagreements are often profound as some factions continue to question Turner's leadership. Indeed, the whole concept of liberalism seems to be under siege not only in Canada but around the world.

But the Scarborough meeting is the first public signal that the Liberals and Canadian liberalism are striving to survive and even to prosper again. Within 48 hours of that session, the Conservative government stumbled over the resignation of Robert Coates as defence minister, while Solicitor General Elmer MacKay came under heavy pressure for his role in the Richard Hatfield drug case (page 22). In the House of Commons and on the hustings, Turner and his caucus began to capitalize on missteps by Prime Minister Brian Mulroney and his Conservative cabinet colleagues. At the same time, Liberal party membership is beginning to grow, policy committees are proliferating, and most factions have shelved their leadership doubts—at least temporarily. Across the country loyalists are struggling to rebuild eviscerated provincial parties.

But the signs of revival are tentative. And even the most committed Liberals alternate between hope and despair. "There is a recognition falling into place that we are all in the same lifeboat, so let us get the oars going in the same direction again," declared Doug Franklin, 35, former executive director of the B.C. Liberal party and the party's new organization director. "We have come through a difficult time, we are getting new blood and fresh ideas and, let us face it, we have nowhere to go but up."

The Liberal defeat last September had been expected for at least a month, but the magnitude of the party's fall—from 147 seats to 40 and from 44 per cent of the popular vote to 28 per cent since the 1980 election—staggered its membership. With the exception of Joe Clark's nine-month-long Conservative interregnum in 1979-80, the Liberals had held power since April, 1963. Liberal governments had reigned for 62 years in the 20th century. Party members had grown accustomed to the perquisites of power, and many made their living from federal paycheques or patronage contracts.

The trauma of defeat was a special shock for many Liberals who, buoyed by early-summer polls, had confidently expected to win the September election on the momentum of the party leadership convention in June, when they chose Turner to replace Pierre Trudeau. Turner had served in the Commons for almost 14 years, 10 of them in the cabinet, before he broke with Trudeau in 1975 and left public office early in 1976. He left as a glittering political star, handsome, personable and articulate. But he returned as an unpolished actor—nervous, awkward in his public speeches and unaccustomed to the merciless eye of the television camera. The lethal combination of a stumbling leader and popular disaffection with the Liberal record produced the party's electoral disaster.

For Turner, who had seldom experienced personal or public humiliation in his 55 years, the pain of defeat drove him into a protective retreat within a closed circle of friends and advisers. He rarely reached out beyond them—and notably not to the partisans of Jean Chrétien, runner-up in the party leadership contest. Some supporters of Chrétien and some who backed other leadership rivals privately criticized Turner's lustreless performance in the Commons and the caucus. And, hurt by their increasing isolation from the Turner camp, they began to talk quietly of the need to replace the leader. Simultaneously, the caucus divided in a dizzying series of policy divisions over topics ranging from the reform of social welfare systems to Mulroney's attempt to encourage more American investment.

Succession: Turner added to the dissension when he told *Maclean's* last November that "Trudeau really had not prepared for his succession. There was nobody in government, in his camp, who was a fair choice for leader." Within days, Trudeau retorted that *he* could have won the election. Chrétien followed with the assertion that he probably could have won more than 40 seats. Only weeks after those public exchanges, a Gallup poll allocated popular opinion on the favored choice for Prime Minister as 47 per cent for Mulroney, 20 per cent for NDP Leader Ed Broadbent and only 11 per cent for Turner—roughly the same percentage as those who selected "none of the above" and those who fell into the don't-know category.

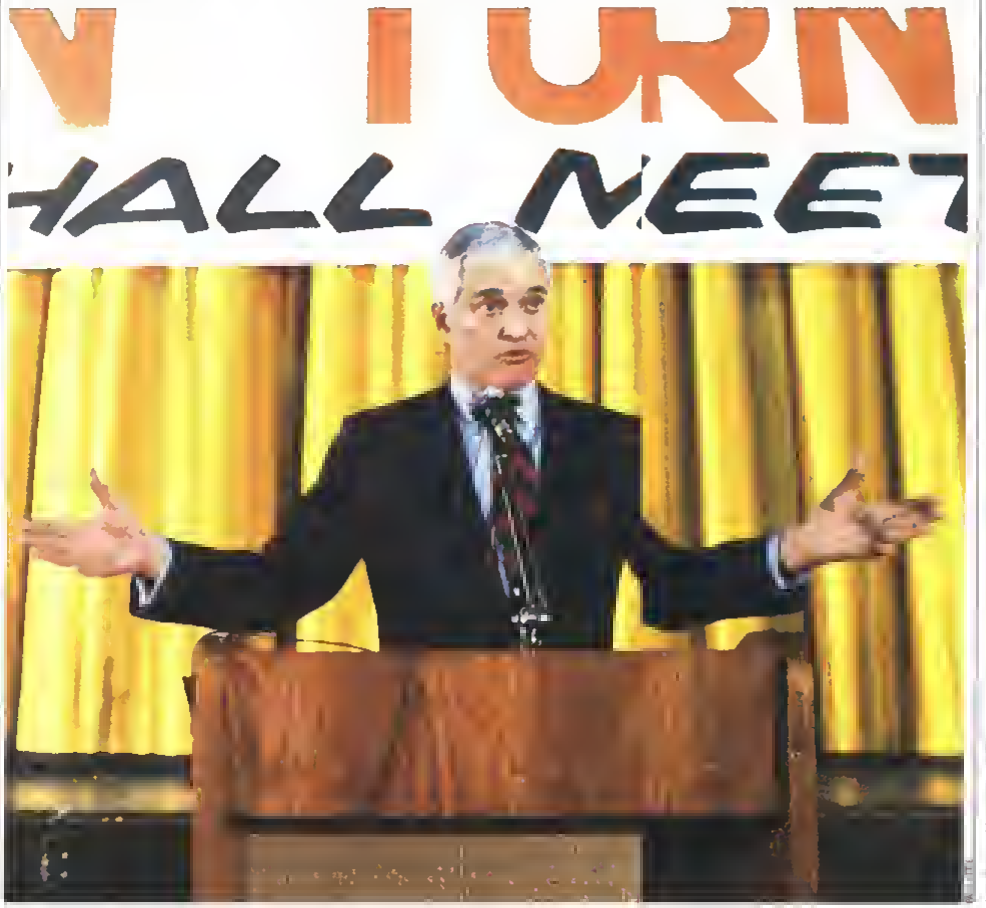
While the caucus argued, the Liberal organization machine stalled. The party came out of the election with an estimated $3.5-million debt. A direct-mail operation to raise money barely broke even. Last month the party's computer broke down and Liberal officials decided that it was not worth the repair bill. Now they are buying a new one. But the data banks for that computer were virtually useless. National membership lists were fragmentary. "I could not believe how bad it was," said William Johnstone, a Saskatchewan farmer who became president of the Moose Jaw constituency association last September. "There were people on the list who not only supported the PCs but actually ran for the Tories. One guy on the Liberal supporters' list when I got involved was Bill Gottselig, and he *won* the seat for the Conservatives."

Mistrust: Some provincial parties, such as Nova Scotia, do not have a central membership list. Some ridings, such as longtime PC-held Nanaimo-Alberni in British Columbia, do not even keep lists. And some provincial parties or individual riding associations that do have records of party members or election supporters have in the past refused to pass them on to national headquarters. That embargo is a legacy of mistrust from the Trudeau years, when many party executives and former MPs feared that the national party would tap their funding sources or use their membership lists to conduct a campaign to unseat them. As a result, the party was forced to buy general mailing lists from corporations for funding appeals.

Compounding confusion, the party was short of experienced administrators because the Trudeau government had planned to run the 1984 election campaign out of the Prime Minister's Office. As a result, most important spending and planning decisions were made by a handful of senior politicians and aides in Ottawa.

Meanwhile, administrative and leadership problems were compounded by the fear that liberalism was out of fashion. In the United States the Democratic party was beaten badly in the November election—and polls show that many in the party's traditional base, such as young voters, have deserted its ranks in pursuit of neoconservative values. The British Liberals—under leader David Steel—are almost invisible. In most European nations the great liberal tradition has been almost eclipsed by high-profile parties of the left and right. As a result, Canadian Liberals are concerned that their policies are out of date and that few voters believe that liberal solutions are robust enough for the uncertain economy of 1985. Moreover, they are afraid that the Tories have stolen the middle ground away from them. Last summer, in shocked envy, they watched Mulroney pre-empt the traditional Liberal position as a coalition of diverse regional, economic and cultural interests. And they are afraid that if his coalition holds, they cannot recover.

Throughout last fall and into winter, the combination of poor management and bad fortune nearly overwhelmed Turner. He and his chief of staff, John Swift, drew up a list of priorities to build a modern party, put the long-term requirements in motion and then simply tried to survive on a day-to-day basis. Judd Buchanan, a federal cabinet minister from 1972 to 1980, now a corporate



Turner speaking to party faithful in Vancouver: 'the period of therapy is over'

executive, toured the federal party organizations in each province and drew up a fund-raising blueprint that was accepted at the Scarborough meeting. Under the proposal, which provincial and riding associations are expected to approve, the ridings would surrender their lists in exchange for 50 per cent of the net profit from the direct mail appeals. Buchanan also reported at Scarborough that the party debt was now $2.75 million. He recommended that the party set up a tough management committee to decide budget allocations and a subcommittee to oversee direct-mail fund-raising. The need for that action was evident last year the Tories raised $14 million—twice as much as the Liberals.



Campagnolo and Franklin at party headquarters: assessing the disrepair

Plans: The Liberals also mapped plans to spend the money that they hope to raise. The party has decided to build a new $1.2-million headquarters on land that it owns on Laurier Avenue in downtown Ottawa. At present, the party is housed above a storefront office building on Bank Street, three blocks from Parliament Hill. The bat-infested building is slated for demolition.

The new facilities will contain a modern communications centre similar to that used by the U.S. Democratic party. Staff will be able to make films and send out manuals and policy papers by electronic mail—messages on computer screens—to party officials around the country. Organization director Franklin will produce training videotapes and booklets to ensure that all riding associations know how to run election campaigns and raise funds. The Liberals also plan to borrow a technique from British Prime Minister Margaret Thatcher—academics are researching past party policy on a range of topics and applying those principles to future problems. Turner aides expect that the first booklet, on "fairness" as a philosophical doctrine, will be published within three months. As well, the party intends to hire a professional national director—to fill a nine-month vacancy—to supervise the ambitious expansion plans. And in a burst of self-confidence, the Liberals have asked a senior computer expert to recommend a new system—and not worry about the price tag.

To complement those efforts, Turner is trying to build up a strong team, partly to counterbalance an existing team created by Trudeau. *Maclean's* has learned that in 1983 former adviser Michael Kirby suggested that the former prime minister appoint specialists to the Senate in case the party lost control of the Commons in the 1984 election. Trudeau complied. To help with fund-raising, he appointed Ian Sinclair, former chairman and chief executive officer of Canadian Pacific Enterprises Ltd., and Leo Kolber, vice-president of Cemp Investments Ltd., to the upper chamber. To rebuild the party's organization, he appointed former Dome Petroleum executive Colin Kenny as an Ontario expert, former public works minister Romeo LeBlanc of Beauséjour, N.B., former New Brunswick MP Eymard G. Corbin and Alberta lawyer Daniel Hays. Trudeau also appointed his legislative assistant, Joyce Fairbairn, former House leader Allan MacEachen and political scientist John Stewart as procedural experts. In addition, he appointed Toronto lawyer Jerry Grafstein and former Montreal journalist Philip Deane Gigantes because of their communications expertise. And he chose Kirby and former party policy chairman Lorna Marsden because of their policy skills.

Strategy: Those senators form an available pool of talent—and Turner uses them. Every day that the Commons is in session, House Leader Herb Gray and party whip Jean-Robert Gauthier and their assistants meet with MacEachen and Fairbairn and the five MPs who head the caucus working groups: Don Johnston of finance, Raymond Garneau of government operations, Lloyd Axworthy of economic development, Doug Frith of social policy and Jean Chrétien of external affairs. Then, the group plans strategy for the day's encounters in the House. Other senators, such as Grafstein and former campaign chairman Keith Davey, are consulted on policy, political organization and strategy. Some members of the group were responsible for convincing Turner to stop his habit of reading from briefing cards in the Commons. They have also improved his television delivery so that his staccato laugh and awkward mannerisms are less obtrusive.

But many of the grassroots members of the party feel that the Liberals should not rebuild by re-employing the same old team. Turner has told close friends that he shares that concern. And he is trying to ease away from his dependence on the senators in a way that does not needlessly turn them into enemies. Partly as a counterbalancing force, he is reinforcing his personal entourage. Chief of staff Swift is hiring more policy and communications aides, and he says that he wants to expand the Turner office staff from 40 to about 100 people—roughly the same number that served Mulroney when he was the opposition leader.

At the same time, aides are examining how to pool the policy and communications expertise in Turner's office, the caucus research office and the party headquarters. Party stars such as Paul Martin Jr., the president and chief executive officer of the transportation conglomerate CSL Group Inc., are leading the search for new candidates and new resource volunteers. "The most sensitive thing that Turner has to do is to pass the torch along to new people," says a Liberal insider. "The tricky thing is not to be vindictive."

Meanwhile, the doubts about Turner's

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Kirby: a legacy of mistrust from the Trudeau years

leadership have ebbed—but they have not died. After every meeting, regardless of what is discussed or decided, journalists relentlessly ask about the leadership. The questions are fuelled in part by the anxieties of some Turner loyalists who privately denounce "the dissidents." But there is lingering bitterness from the June leadership convention. Former leadership contender Chrétien is still depressed by his loss, and at party activities he appears forlorn and half-hearted. But key loyalists from his campaign have remained friends—and kept in touch with each other as a useful network. Many of them claim that Turner has cut them off from the party mainstream. And most of them insist that Chrétien would have been—and still could be—a better leader. "But the Turner camp has not reached out to those who were against him in the leadership campaign," argued a strong Chrétien supporter who requested anonymity because party feelings still run so high between the camps. "I offered to help repeatedly during the election and I was telephoned only once. Since then—nothing. Reaching out is the way that you make sure that people do not vote against you in a leadership review."

Turner's difficulties extend from his rivals to some of his former friends. Some are still bitter about the election loss—and convinced that the leader will never be able to rebuild his image. They point out that his manner in the Commons and on the hustings is still wooden. And they say they that he is unable to think fast on his feet—a trait that is vital against the smooth Mulroney.

Resentment: That feeling is especially strong in Quebec, where many MPs risked a caucus feud to select Turner over Chrétien because they thought he could win. Instead, Quebec Liberal strength fell from 74 to 17 seats—and the resentment is almost unabated. Said Gordon Genge, president of the Newfoundland Gander-Twillingate Liberal riding association: "Turner's image leaves a lot to be desired from the standpoint of what the public would like. It's the same as with [Joe] Clark—the charisma just was not there." Added Genge: "At some point, a leadership review is something I would advocate."

Other Liberals are concerned about Turner because they do not know where he stands on the ideological spectrum. They point out that during the election he swung from the right—with his concern about the federal budget deficit—to the left, with his proposals for heavier wealth taxes. Close friends say that Turner's heart is closer to the right of the party. But they say he was so dismayed by the election loss and party criticism that he now simply avoids most potentially divisive policy stands.

The result can be confusing. One party loyalist who is a small-l liberal says that Turner is superb on the mechanics of running a party but "he does not seem to have a framework or a set of principles from which he works." Another Liberal who is closer to the right says that Turner "is only now starting to see that the things he used to believe in are not all that crazy." But he adds that until Turner regains his confidence, he is not likely to confront the more left-leaning members of caucus.

Meanwhile, Turner supporter Lloyd Axworthy has been using his position as head of a party council on northern and western affairs to flex his muscles. Turner created the council last year. And although it has only convened once, Axworthy has used it to take an active role in western party affairs. Some Turner supporters fear that Axworthy has undertaken that new role because he wants to build support for his own leadership ambitions. They fear that he is creating a faction that will vote for a leadership review.

Despite those differences, most party members have made an effort to smooth over their differences. Former leadership contender Johnston has ensured that key members of his camp, such as consultants David MacNaughton and Richard Anderson, are talking to—and helping—Turner's staff. Moreover, many party members have come to the conclusion that it is simply counterproductive to attack the leader now. They point out that the party's general convention—when delegates will be asked if they want a leadership review—will not be held until the fall of 1986. Until then, Turner's leadership is technically safe.

Many Liberals also say that Turner lost largely because of Trudeau's record. They sympathize with Turner for the pain he has endured. And they command both his dedication and the progress that he has made in party reform. Most important, despite the fears of many loyal party workers, Turner has managed to keep the Liberals ahead of the NDP in the polls. Gallup reported this month that 53 per cent of decided voters favor the Tories, 25 per cent the Liberals and 21 per cent the NDP. As long as the party stays second, the Liberals are not likely to encourage mutiny. "There are very few responsible Liberals who are being tough on him," argues former party president Norman McLeod. "He is travelling every weekend for the party, doing fund-raising, going to the national executive meetings. What more could he be doing?" Adds James Graham, the president of the Ontario wing of the federal Liberal party: "I have canvassed the ridings pretty thoroughly and most people are saying that he is fine—give him a little time. Of course there are grumblings, but the weight and numbers are not of consequence. Leadership is not a concern yet."

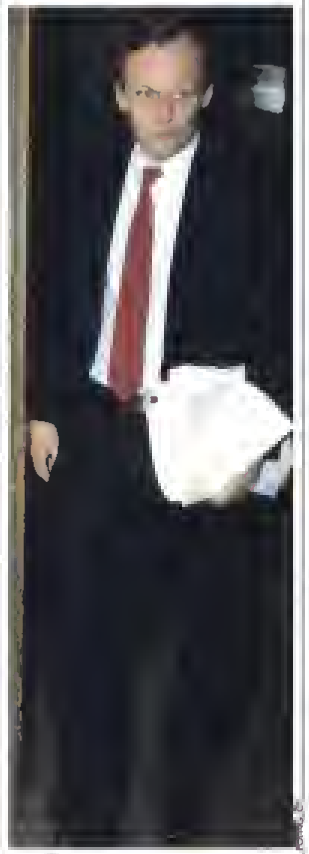
Taylor: signs of new life among provincial Liberals



Instead, many Liberals are concentrating on party and policy reform. The national executive has now agreed to hold regional conferences followed by a special national reform convention of an expected 700 to 1,000 party members in November in Quebec City, Edmonton or Montreal. Although the thorny issue of leadership could be raised at some of the smaller regional conferences and at the national convention, most members will be involved in such controversial nuts-and-bolts questions as should a party leader have a fixed term of office?

Mistakes: Still, there is continuing concern with the form and fate of liberalism and the role of a modern government. Some party members argue that the Liberals must remain faithful to the party's traditional tenets, such as the universality of social programs—keeping family allowances and old-age security payments free of means tests—and Canadian economic nationalism. And they contend that the Liberals are out of favor only because Canadians felt it was time for a change of faces—and the Tories were wise enough to offer more of the same safe Liberal programs. Those classic small-l liberals, including Senator Keith Davey, freely admit that the party needs to develop new policies to deal with modern problems, and they do not deny that there were some policy mistakes. "But small-l liberalism is not dead," argues Senator Marsden. "It may be the only alive political ideology in Canada. If liberalism were dead, why would the NDP and the Tories be trying so hard to crowd into liberal ground?"

Others argue that the Liberal party is based on principles such as compassion and reform. They say that policies such as universality can be adjusted as long as the party remains faithful to the principles *behind* the policies. Earlier this month finance critic Johnston told a Toronto audience that because Liberals believe in reform, they are committed to an active role for government. "From there, it is sometimes an easy matter to cross the fine line between beneficial government intervention and intervention simply for its own sake—in other words, a tendency to overgovern," he said. "It is also an easy matter to move from there to a general public perception that the state thinks it knows best. When the government manufactures aircraft, sells gasoline and repairs cars, it is not difficult to see why."



Chrétien: adversarial relations

For the Liberals, those arguments about the role of government are powerful demons. With the NDP and the Tories crowding toward the liberal centre, the struggle to be both modern and moderate means that even once-sacred policies are up for examination. The contest has been summed up by Trudeau's former principal secretary, Tom Axworthy. "The public supports intervention but despises bureaucracy," he wrote. "The dilemma for modern-day liberalism is that if the state is no longer to be the automatic instrument to achieve change, what will take its place?"

Secrecy: That debate coincides with what is currently a more spirited Liberal performance in the Commons, in the Senate and across the country. Last month pollster Angus Reid of Winnipeg cited four fundamental policies that are linked with traditional Liberalism and which he said can be invoked in battles against current Tory positions. Those beliefs, he said, are in a strong central government, equality of opportunity, a secure Canadian identity and open government. With that advice, the Liberals have been attacking the Conservatives for proposals to modify universal social welfare programs, disparities among the provinces in access to education and health care, opening up to foreign ownership and freer trade with the United States, and for its inclination to secrecy.

Although Turner has insisted that the Liberals will not use their 72 members in the 104-member Senate to block Tory legislation, the Liberal senators have been flexing their muscles. Two weeks ago, with the consent of Liberals in the Commons, they delayed a Tory bill to authorize almost $20 billion in federal borrowing. The senators argued that the Tories have no right to borrow money for the fiscal year starting April 1 before the spending estimates for 1985-86 or a budget have been presented. "We are not going to block but we are going to enhance legislation," vows Senator Kirby. "If that means that legislation is a little slower, so be it."

Daunting: Meanwhile, beyond Parliament Hill, there are erratic signs of new life in provincial Liberal parties—a process which the federal Liberals are trying to encourage because they are convinced that the party must be rebuilt from the ground up. It is a daunting project when there is no Liberal government in the country. In British Columbia, where the party holds not a single seat in the legislature, provincial Leader Art Lee is racing to organize for an election expected next year. Party members feel that, given the polarized nature of B.C. politics between Social Credit and the NDP, there is room in the centre if Lee can revive the frail party machine. In Alberta—where Liberals have not held a legislature seat since 1969—Leader Nick Taylor is fending off pressure to resign from a reform wing that argues that the party needs new blood. But Taylor is optimistic—citing a recent 25-per-cent increase in provincial party membership—although the current total is only about 8,000. In Saskatchewan and Manitoba, despite considerable increases and better financial health, par-

ty prospects remain bleak. In Ontario, Liberal Leader David Peterson hopes to siphon off votes from Tories disaffected by the right-wing tendencies of new Premier Frank Miller. "Miller's Ontario excludes women, youth, ethnics, tenants and other important minorities," argues Liberal campaign chairman Ross McGregor. "The middle of the ideological spectrum is open."

Image: That guarded optimism also prevails across Eastern Canada. In Quebec, although the once-fabled federal Liberal organization is fragmented, Liberals hope that leader and former premier Robert Bourassa will defeat Premier René Lévesque in the election expected within a year. Although Bourassa is close to Mulroney, the mere presence of a Liberal government—anywhere—will help the party image. Meanwhile, senior Liberals are trying to reconcile Trudeau and Turner as a means of removing the massive divisions in Quebec.

In Nova Scotia and New Brunswick the Liberals are looking for new leaders. And although hopes are not high in either province, leadership contests always raise the party's profile. In Prince Edward Island, Liberal Leader Joe Ghiz says that the federal Tories are offending the electorate with such policies as a recent decision to charge potato growers for product inspections. And in Newfoundland, Leader Leo Barry—a former Tory cabinet minister—is trying to capitalize on substantial dissatisfaction with Premier Brian Peckford.



Reid: a struggle to be moderate

Roots: For the Liberals, the provincial roll call still represents a dismal decline from the glory days of 15 years ago, when Trudeaumania was alive in the land and six of the 10 premiers were party members. But the Liberals have deep roots in Canadian history. The first Liberal Prime Minister, Alexander Mackenzie, took office in 1873. And the ideas of small-l liberalism—moderate and middle of the road—run strong in the Canadian psyche. Pollster Reid, who worked for the Liberals during the 1984 election, says that when he asked Canadians last fall if they considered themselves to be liberals, conservatives or social democrats, 52 per cent said liberals. "Liberalism is alive and well and perhaps on a growth plan in Canada," Reid concludes. For Turner and his battered party, the difficult challenge will be to turn those closet sympathizers into card-carrying disciples.

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Hatfield challenges his accusers



Hatfield: 'they were telling things that should not have been told'

By Chris Wood

After nine days of official silence Richard Hatfield steted his case dramatically last week. New Brunswick's unconventional premier read a carefully worded 20-minute statement to reporters in Fredericton denying that he supplied drugs to three teenage university students at a 1981 party in his home. He added that the accusations had been "orchestrated to force my removal from office." Then, in an interview with a Toronto reporter on a plane bound for the First Ministers Conference in Regina, Hatfield identified the alleged conspirators. "The RCMP has been spreading rumors and innuendo about me for years," declared the premier.

Hatfield, who leaves for a one-week vacation this week, made his remarks the day after Justice Minister John Crosbie announced that the Crown would not appeal the premier's acquittal on a possession of marijuana charge. But the premier's determined defence actually intensified the attacks on Solicitor General Elmer MacKay's role in the case and led to renewed demands from opposition MPs for a public inquiry on the RCMP's handling of the affair. Throughout the week opposition MPs called for MacKay's resignation and for a full explanation of the substance of an [illegible] meeting held with the premier, at Hatfield's request, on Oct. 7, just 12 days after a small quantity of marijuana was found in Hatfield's suitcase by the RCMP.

The premier's television appearance satisfied members of his own party who demanded that he respond publicly to vivid accounts given by two former students of an all-night 1981 drug party. Hatfield acknowledged before live television cameras that he had invited four "strangers" to his home in January, 1981. But he denied allegations made by Michael Kyte of Toronto and Peter Daigle of Halifax, two of the students who say they were invited to his home, that he supplied them with cocaine and marijuana after a chance meeting at Fredericton's Diplomat Motel.

Still, gaps in the premier's version of events left many of his opponents dissatisfied. Provincial Conservative caucus chairman Beverly Harrison, for one, charged, "He hasn't dealt with some of the central themes of the allegations." And New Brunswick Liberal interim Opposition Leader Ray Frenette urged Hatfield to follow the example set earlier by federal Defence Minister Robert Coates and resign rather than "let this cloud hang over New Brunswick." The statement did meet a midweek deadline set by Tory dissidents, who said that they would consider leaving the party if the premier did not speak out. "I asked for a statement, and I got a statement. He's addressed the issue," said MLA Keith Dow, among Hatfield's most vocal caucus critics.

Hatfield's version of the 1981 events, however, did not deal with all aspects of the affair. He made no reference to the former students' claim that the premier invited them to join him on a trip to Montreal aboard a government aircraft the day after the drug party, apparently at taxpayers' expense. The omission was notable because the trip is one part of the account confirmed by other students who witnessed the youths' departure in the premier's company. As well, the statement said only that Hatfield had not supplied drugs to the students, it did not specify whether the bachelor premier used drugs himself.

Hatfield noted that all those who were aware of the discovery of marijuana in his suitcase on Sept. 25 "swore under oath that no one outside the RCMP was told." But within a matter of days, he said, at least two other people were aware a narcotic had been found. And later this year, Hatfield added, a justice department official confirmed to federal Liberal justice critic John Nunziata that there were affidavits by two students describing the 1981 party. Declared Hatfield: "At the same time, certain representatives of the media throughout the country received unmarked brown envelopes containing the two statements [by Kyte and Daigle]. Who sent these envelopes? Why were they sent?"

The suggestion of an unauthorized RCMP or justice department disclosure of the statements was first raised earlier in the week by former federal Tory president and Hatfield confidant Dalton Camp, whose advice appears to have shaped Hatfield's statement. But *Maclean's*, in a cross-country check of major newspapers, failed to locate any media representative who received "brown envelopes" containing the two statements. Nick Hills, general manager of Southam News service, which broke the story on the students' allegations, dismissed the suggestion as "a total red herring." Said Hills: "The business of the media wanting to 'get Hatfield' is a lot of nonsense."

Still, Hatfield later in the week left no doubt about his feelings concerning the RCMP. "They were telling things that should not have been told and they were not telling

Nunziata: omissions



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things that were true," he said. Then, in an interview with *The Toronto Sun*, his acting justice minister, John Baxter, declared: "[The RCMP] shouldn't have as one of its goals a plan to bring down an elected government, but that's what they're doing in New Brunswick."

Relations between the premier's 15-year-old government and the RCMP have been traditionally uncomfortable. In the 1970s the RCMP investigated whether Hatfield and several of his cabinet ministers had played a role in a fund-raising operation for the New Brunswick Conservative party between 1972 and 1974, that involved kickbacks extracted from government contractors.

In 1978 a public inquiry exonerated Baxter of Liberal opposition charges that he tried to deflect RCMP officers who were investigating the kickback scheme. That confrontation may have contributed to the New Brunswick government's decision to set up its own Highway Patrol and to the patrol's steady expansion ever since to replace RCMP detachments in much of the province.

Hatfield's current difficulties began when RCMP investigators discovered marijuana in the premier's luggage during Queen Elizabeth II's visit to New Brunswick last autumn. Within minutes of the Sept. 25 seizure a staff sergeant contacted the commanding officer of New Brunswick's J Division, Chief Supt. Denis Lang, for directions on how to proceed. Less than 24 hours later the story reached the media, when a woman caller told a local television station about the discovery.

Days after the seizure, the RCMP had also traced rumors of the 1981 party—rumors that were current for the past four years on Fredericton's two university campuses—to one of the students involved. Michael Kyte's lawyer, Gary Joseph, says that his client gave his first statement to the RCMP before Kyte first called him for legal advice "sometime after Oct. 4 or 5."

At that time the first of a series of unusual meetings took place. On Oct. 3 MacKay, already aware that Hatfield was suspected of marijuana possession, met television reporter Ryan in Halifax airport to discuss the case. Four days later MacKay met Hatfield in a room at the Chateau Laurier hotel in Ottawa, where both men were accompanied by their personal lawyers. Hatfield says that he requested the meeting to complain about the way in which the RCMP was conducting the investigation, and last week MacKay confirmed the premier's claim that only "procedures and practices" were discussed.

On Oct. 23, three days after the marijuana seizure became public, Hatfield travelled again to Ottawa following a meeting in Toronto with criminal lawyer J.J. Robinette. It is not known whom, if anyone, the premier met in Ottawa on that visit. Two days later the RCMP laid charges against the premier.

On Jan. 28 Hatfield's long-delayed trial finally began before Chief New Brunswick Provincial Court Judge Andrew Horrigan. At the end of the two-day trial Hatfield was found not guilty. Daigle was present throughout the trial, ready to testify for the Crown, but he was not called. According to Fredericton criminal lawyer Danny Waters the prosecution would have called Daigle to testify only to weaken the credibility of any testimony offered by Hatfield.

Then, Daigle's and Kyte's allegations became public. On Saturday, Feb. 2 a federal justice department lawyer confirmed the existence of affidavits signed by the two men to Nunziata. The following Monday, in a story based partly on an interview with Nunziata, Southam News revealed the details of the former students' accounts.

Hatfield's statements and accusations against the RCMP may well lead to even more intense scrutiny of a case already under internal review by the RCMP. But on one matter, at least, Hatfield made his intentions clear. "I received the office I hold as a result of a free election," he said. "This is the only process which will remove me."

Soothing the premiers

Under banks of television lights at the Regina Centre of the Arts, where CBC cameras captured every smile and nuance, last week's live broadcast of the first ministers' conference on the economy provided viewers weary from the federal-provincial wars with a display of political theatre designed to produce a happy ending. Prime Minister Brian Mulroney repeatedly reflected on the striking amiability of the meeting, telling Canada's 10 premiers at one point, "People have taken a few potshots at us because we get along." But the generally harmonious discussions—and the absence of the traditional closing communiqué—could not obscure two critical areas of disagreement—interest rates and free trade with the United States.

The pale ghost of the 1982 first ministers' conference—where the premiers and Prime Minister Trudeau bickered continually—returned to haunt Mulroney last week when the premiers urged the federal government to work with the Bank of Canada to reduce interest rates, even at the cost of further depreciation in the value of the Canadian dollar. Otherwise, they warned, plans for economic renewal could be undercut by rising interest rates. Momentarily caught off guard at this intrusion into a federal issue and at its awkward timing—during the third consecutive weekly increase in the Bank's trend-setting rate—the Prime Minister replied that Governor Gerald Bouey must continue to have the authority to set monetary policy. Warned Manitoba's NDP premier Howard Pawley: "This new government is not going to improve investment, jobs, or remove the regional economic disparities if we don't ensure that decisions that are made by politicians are reflected in Bank of Canada policies."

The question of comprehensive free trade with the United States revived traditional interprovincial divisions. The provinces with largely resource-based economies, led by Alberta, favored free trade, while the manufacturing provinces, notably Ontario and Quebec, called for caution. Many jobs would be lost in Canadian factories, economists agree, if Canada removes its tariffs and other trade barriers in its commerce with the United States. "You can't be swept away too quickly with the grand design," cautioned Ontario Premier Frank Miller. "It always comes down to the individuals, the jobs." At the end of the conference a conciliatory Mulroney said that he would pursue free trade talks with U.S. President Ronald Reagan when they meet in Quebec City on March 17, but added, "We're going to examine this very carefully."

Still, general agreement on many issues, including job creation and regional development, gave the conference the chummy air of a social club. When the Prime Minister announced a $695-million job training program, the premiers took an hour to congratulate him, even though the former Liberal government had previously allocated the funds.

The conference, however, skirted controversial subjects, including federal-provincial transfer payments that will be negotiated in later meetings. Details on the job creation scheme also remain to be fixed. Noted Liberal observer and finance critic Donald Johnston: "I only hope that Pierre Trudeau isn't watching this. I think he would almost throw up at some of the statements that are being made." For his part, Mulroney described the sessions as "just a beginning." There were bound to be "mistakes and heartbreak before we get it right," he added. "But I'm satisfied we're headed in the right direction." To that end, Mulroney announced that the first ministers had agreed to annual meetings and that the next one will be held this fall.

—MICHAEL CLUGSTON in *Ottawa*.

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Buick Century

Resolving an Atlantic power struggle

By Michael Clugston

Even by the fractious standards of recent federal-provincial disputes in Canada, the protracted power struggle between Ottawa and St John's about the ownership and development of oil beneath the ocean floor off Newfoundland has been harsh But last week's signing in St John's of an Ottawa-Newfoundland agreement—grandiosely entitled the Atlantic Accord—set off rejoicing as strongly expressed as the bitterness of the past five years Despite delicate negotiations to coma alated by the applause they received

The impetus for the settlement began last June, when Mulroney promised Peckford that, if elected Prime Minister, he would grant Newfoundland control of the offshore, including the Hibernia oilfield located off the Grand Banks about 165 nautical miles east of the island Then, last December, federal Energy Minister Pat Carney and her Newfoundland counterpart, William Marshall, arrived at the basic agreement in Ottawa The undersea oil fields, which Peckford promotes as the key to the province's economic emancipation, could produce



Justice Minister John Crosbie, Marshall, Carney, Peckford and Mulroney: marked by hyperbole

with oil companies, questions about the development's job-creating potential and a clause that gives the federal government the power to control the pace of developments, an effusive Premier Brian Peckford led the cheering Declared Peckford "We have 100 per cent of the control"

The signing of the 68-clause memorandum of agreement between Peckford and Prime Minister Brian Mulroney was marked by hyperbole and noisy celebration What had been described by Mulroney early in the day as "probably the most important agreement reached between Ottawa and St. John's since Newfoundland entered Confederation nearly 36 years ago" had become, by the evening, "the greatest thing to happen to Newfoundland since [explorer] John Cabot." Mulroney and Peckford were

more than 1 billion barrels of oil for some 25 years The federal government granted Newfoundland most of the power it had sought over Hibernia since Peckford became premier in 1979—even though a unanimous decision of the Supreme Court of Canada last March ruled that the offshore belonged to the federal government.

The so-called Atlantic Accord divides the management and revenue of the project between the two governments and commits Ottawa to paying $225 million into a development fund to upgrade the province's oil-related operations and equipment Three members appointed by each government will sit on the key Canada-Newfoundland Offshore Petroleum Board, which will declare discoveries, grant production licences and manage drilling sites. The selection of the chairman will be mutually agreed upon by both governments Further, the accord guarantees that federal equalization payments to the province (about $600 million last year) cannot be reduced to offset oil revenues in the oil project's first four years Although Newfoundland will also be free to collect the same share of revenues in taxes and royalties that land-based producing provinces receive, it must still negotiate the terms with the oil companies developing Hibernia

Despite the ballyhoo that greeted the accord's signing, claims about the impact of the development of offshore oil on Newfoundland's economy appear exaggerated Federal NDP energy critic Ian Waddell noted that falling world prices may make immediate development unlikely And an as yet unreleased survey conducted by Research Associates of St. John's for Mobil Oil of Canada Ltd., the field's main operator, shows that incessant talk of oil development has convinced at least 56,000 Newfoundlanders that they have a chance of obtaining a job as a result of the Hibernia development Yet, according to Liberal Opposition Leader Leo Barry, no more than 1,500 jobs per well will be created by the Hibernia oilfields. If the provincial government can convince Mobil to construct fixed concrete platforms instead of floating steel ones, construction work will raise the number employed per well to 5,000. There are no producing wells yet. Explained Barry, Peckford's former energy minister and political nemesis: "[The offshore] is going to be an important new industry, but it has to be kept in perspective. It's not going to solve all of Newfoundland's problems."

Peckford, however, dismisses the project's doomsayers The premier, who has called two elections on the issue, has avowedly staked his political career on the promised riches of offshore oil. With his personal popularity near an all-time low because of bitter labor unrest and a festering unemployment rate of 23 per cent, last week's announcement may well prove to be his political salvation.

With Roy MacGregor and Peter Gard in St. John's.



Crombie: 'rectifying the hurt done to certain women'

Redressing an injustice

Since its creation in 1876, the Indian Act has given the federal government the power to supervise the economy, politics, education, land and even aspects of the personal lives of Canada's nearly one million Indian people But the discrimination against women that is inherent in the act has been a constant source of criticism and controversy. Indeed, one section—12(1)(b)—divests women of their Indian status when they marry outside their race These women and their children lose their band membership, their housing, health and education benefits and the right to live or be buried on their reserve By contrast, the act permits Indian men in parallel situations to both retain their status and extend their own benefits to their non-Indian wives But next week Indian Affairs and Northern Development Minister David Crombie will table legislation to finally redress a century-old injustice.

Still, eliminating discrimination against Indian women has far-reaching ramifications Many members of Canada's 579 Indian bands fear that an unqualified reinstatement of women and children who have lost their status—an estimated 78,000 individuals—will bring thousands back to the reserves That would severely strain some of the bands' resources and cost what even Crombie says "could be hundreds of millions of dollars." In addition, the Assembly of First Nations, which represents over 500 Indian bands, has stated that it will only accept changes to the act if the Indian bands, and not the federal government, make the final decision on who may belong to their band

It was precisely that demand that sidetracked legislation introduced by the Liberal government last summer Although Liberal Bill C-47 effectively addressed the discriminatory clauses in the act, it did not give Indian bands the power to decide who could live on band reserves. As a result, the Senate failed to give the bill the unanimous consent needed for passage But in an interview with *Maclean's*, Crombie said that the new legislation will take into account the "inherent rights of Indian bands to control their membership." He added that it will also be aimed at "rectifying the hurt done to certain women."

Indian women have specifically asked the minister that the legislation be retroactive to the date when a woman's status was lost and include a special fund to help women and children make the transition back to reserve life. Said Mary Two-Axe Earley, a Mohawk Indian and longtime crusader for changes in the act. "I feel terrible that it has taken so long for women to be reinstated.—I represent a lot of non-status Indian women, and you would not believe what we had to put up with from our own people—*our own people*!"

The government's most compelling reason to decisively redress the issue this year is the new Charter of Rights and Freedoms New equality provisions in the charter, which take effect on April 17, will make any kind of sexual discrimination illegal Although Crombie remains confident that both opposition parties will support a new bill, it still seems destined to fall short of a total victory for Indian women and their children.—TERRY HARGREAVES *in Ottawa.*

Godin eyes a referendum

Seven weeks ago Quebec Superior Court Justice Pierre Boudreault struck down a section of Bill 101, the province's French Language Charter, that had banned any language but French from most commercial signs It was the latest in a series of five major court rulings and a string of lesser legal decisions and amendments that have diluted the charter since it was proclaimed law in 1977. As a consequence, the Parti Québécois government has been seeking ways to reinforce the language legislation Indeed, Cultural Communities Minister Gérald Godin, who heads a three-minister committee studying Bill 101, said he wants to put it "outside the realm of judges and the federal government," although he subsequently acknowledged, "We are not quite sure how we can do that." Last week, in an interview with *Maclean's*, Godin outlined the ideas that the committee is considering, including the possibility of taking the language question to voters in a provincewide referendum.

In response to court rulings that have diminished Bill 101 while boosting English language rights, Godin said he now plans to establish a public parliamentary commission that will likely begin sitting this spring, with the "very major mandate of asking the English community to think more of the importance of the Quebec collectivity than their individual rights." Following that, the government is considering the preparation of a document to present to the national assembly asking for all-party support of the principles of Bill 101, including provisions that have been ruled illegal by the courts Then, said Godin, it is "not yet likely but nonetheless possible" that the government might ask for popular support through a referendum dealing with such a proposal. "The demonstrated support of a large percentage of the population would surely be a strong deterrent against anyone wanting to challenge the law in court," he declared.

Still, despite the evidence of opinion polls that most francophones feel secure about the future of their language, Godin said it is "not just our right but our duty to reinforce the law This is too important an issue to be determined by polls, or people who are not giving sufficient thought to their future." With an election expected within the year, Godin and the Parti Québécois will not have to wait long to find out how many people agree with him.

—ANTHONY WILSON-SMITH *in Montreal.*



Coates resigning in the Commons: a return to the back benches after an encounter in a West German cabaret

COVER

THE 'TIFFANY' FACTOR

By Roy MacGregor

The trouble began in the early hours of Nov. 29, in a tasteless bar known as Tiffany near the West German town of Lahr. Defence Minister Robert Coates bought several $20 cocktails for a stripper whose specialty was a performance she called *Fantasy in White*, a curious dance which, by the time the last stepe were played out in Ottawa last week, had grown into a nightmare in Tory blue. A newspaper report of the encounter and Coates's subsequent resignation left the Conservative government of Brian Mulroney suddenly, dramatically, shaken.

Initially, the St. Valentine's Day week had been impeccably co-ordinated to reflect only co-operation and constructiveness. It was launched on Monday by a successful offshore oil agreement with Newfoundland that led federal Justice Minister John Crosbie to declare, "We're going to be in government for most of the next century." And it was intended to wrap up in Regina with the premiers and Mulroney engaged in what was actually billed as a "love-in." But when the report of Coates's nightcap with dancer Micki O'Neil broke, the developments swiftly shattered the carefully structured facade.

The new government's five-month honeymoon was clearly over. Few Canadians were as disturbed as the woman who was [illegible] Tuesday by Commons guards for throwing a cup full of human excrement from the public galleries down on the MPs. But there appeared to be new skepticism in Ottawa about the Mulroney government's behavior.

Demands: That attitude was strengthened by the actions of another minister, Solicitor General Elmer MacKay. He continued his refusal to explain his involvement in the unsuccessful drug possession charge against New Brunswick Premier Richard Hatfield. MacKay did acknowledge that he met privately with Hatfield almost three weeks before charges were laid—and that led to concerted opposition demands for MacKay's resignation.

[illegible] a midweek caucus [illegible] Mulroney was clearly angry. Addressing the Tory senators and MPs—including Coates—the Prime Minister shifted the blame for the misfortunes from the main characters to the media that cast them. He pointed out that on the very day when the historic deal was struck with Newfoundland, the press had concentrated on the still-simmering Hatfield-MacKay affair. Could it be, the Prime Minister wondered aloud, that some journalists might be deliberately trying to damage his government?

The government's problems began just before noon on Feb. 12. At that time the final edition of the Ottawa *Citizen* appeared on the streets with the banner headline, "Defence minister's bar visit queried." A story recounted a late-night visit by the 56-year-old Coates and two aides—chief-of-staff Rick Logan, 43, and press secretary Geoff Matthews, 34—to the West German bar during a four-country NATO trip between Nov. 27 and Dec. 9. The *Citizen* reported that Coates spent about two hours after midnight drinking with one of the strippers while pornographic films played on the wall and his aides accompanied two other [illegible] to another part of the club.

The episode involving the defence minister had come to Mulroney's attention, the Prime Minister's Office said, as a case of an alleged security risk.

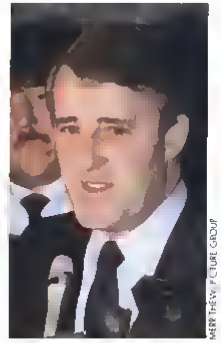
At his office in the West Block on Parliament Hill around 1 p.m., Coates received several copies of the newspaper. A single copy was sent in a defence department vehicle to 24 Sussex Drive, where the Prime Minister was lunching with longtime friend and adviser Pat MacAdam. Mulroney immediately telephoned Coates to discuss the situation but, sources insist, he did not then demand Coates's resignation. (In answer to later questions whether Coates had offered or was asked to resign, Mulroney's press secretary, William Fox, replied, "Both.") Coincidentally that very morning, Mulroney said later, the final report from an internal investigation—Coates's European tour had taken many twists in the Ottawa rumor mill in previous weeks—had convinced the Prime Minister there had been "an error in judgment," but no security violation. The investigation ordered by Mulroney, it was established, had not involved NATO nor interviews at the German tavern in question.

Reliable sources say that Mulroney recommended that Coates prepare a strong statement for the House. The Prime Minister directed Coates to meet first with Deputy Prime Minister Erik Nielsen to talk about the form such a statement should take. Coates was unable to arrange an immediate meeting with Nielsen and, according to one close friend, he spent the intervening time considering the unpleasant prospect of spending weeks defending himself against an onslaught of stories.

Painful: Meanwhile, photographers and television cameramen were already gathering in the drive of his home in Amherst, N.S., where his bewildered wife, Mary, had herself only learned of the resignation over the radio. After almost 28 years in Parliament, Coates well knew that what he was seeing was only the beginning of what could be a long and painful process. As one of his closest advisers commented afterward, "Once the blood is in the water, they all circle." Loyal friends say that he did not want to put his wife, daughter and son through such an ordeal. His decision when he finally reached Nielsen was to resign. Sources say that Coates then told Nielsen that the only thing that would cause him to change his mind was a direct [illegible] to stay on—a request that did not come.

Mulroney arrived at the House of Commons at precisely 2:15 p.m. for the beginning of Question Period. But the first and obvious question of the day—from the opposition critic for external affairs, Jean Chrétien—had to be delayed while Mulroney and Nielsen discussed the matter. When Mulroney finally entered the Commons three minutes late, it was to the anticipated standing ovation for the Newfoundland offshore deal. But the applause was strangely at odds with Mulroney's sombre expression. The defence minister would be making a statement at 3 p.m., the Prime Minister announced, and he added that his own inquiries had resolved that "at no time was the national security of Canada compromised."

Shaky: At 2:55 p.m. Mulroney and Nielsen joined Coates in the curtained area behind the Tory benches and huddled for several minutes in intense conversation. Nielsen loaned Coates his pen at one point, and as Coates made his way to his seat he nervously dropped his papers. Then, in a voice as shaky as his hands, Robert Coates, who has spent more than half his life on the back benches dreaming of one day entering the cabinet—preferably as defence minister—announced to the hushed House, "This afternoon I have tendered my resignation as minister of national defence to the Prime Minister. I have assured the Prime Minister of my innocence and my conduct."



Mulroney: old friends

Coates added that he will take legal action against the paper. "I have served in this House for 28 years," he declared. "I have served under three [Conservative] prime ministers. I have always respected this House, its membership and its traditions. I also recognize the fundamental importance of my portfolio—one which is as sensitive as any in government. I am a man of honor who respects Parliament and I especially respect my Prime Minister. Accordingly, I have resigned as minister of national defence, effective today."

The Prime Minister then escorted Coates out of the House of Commons and through the wave of cameramen and reporters breaking in on them. Silently they went down the stairs and through the revolving doors. Coates at one point turning awkwardly to shake the hand of the man he considered a close friend and ally. Indeed, it was by passing around the defence minister's [illegible] card with a picture of [illegible]

and Mulroney that *Citizen* reporter Neil Macdonald was able to confirm Coates's visit to the German bar.

Coates's prized portfolio went, for the time being, to External Affairs Minister Joe Clark, the man Coates worked so hard to topple as Tory leader so that Mulroney could succeed him. For his part, Mulroney maintained an expressionless mask as he escorted Coates to his car and saw him off, the affair hopefully out of sight, out of mind.

Dramatic: But it was not. The incident continued to fuel speculation in Ottawa about the conduct of Coates, who had no special credentials that qualified him for the defence post at the outset. And many neutral observers expressed bewilderment that he had decided to take such a dramatic measure as resignation over what appeared to be a fairly easily explained incident. Indeed, Mulroney dismissed the former party president's actions as "probably an error in judgment that you or I or any other imperfect human being could make."

Press Secretary Fox said that a full inquiry had been made into unspecified charges against Coates. "The matter was brought to the Prime Minister in the form of an allegation of a breach of national security," said Fox. "The Prime Minister made a thorough investigation and found the allegation to be without foundation. There was no breach of national security." A message was sent to Washington assuring the U.S. state department that Coates's resignation did not involve a security lapse.

Former Liberal defence minister Paul Hellyer, who later became a Conservative, said that any indiscretion by a minister in Coates's position is a cause for concern. "The problem or the danger is not so much Canadian secrets," he said. "Most adversaries know the state of Canada's armed forces. It is the possible access to material from the NATO alliance available on an exchange basis to Canada, and even more sensitive material that is exchanged between the United States, Britain and Canada," he added. "Canada is known by adversaries as potentially easy picking grounds."

Clearly, not everyone was satisfied with the official explanations, and questions were raised in the Commons during the remainder of the week, although both Liberal Leader John Turner and New Democrat Ed Broadbent were travelling in the West. Liberal House Leader Herb Gray had asked Turner to return to Ottawa to lead the questioning, but to the disappointment of many in his caucus he refused the request. It was left to Gray to point the finger of doubt back at the person who least wanted it: "The issue as I see it," said Gray, "is not so much the resignation of Mr. Coates but the manner in which it was handled by the Prime Minister, Mr. Mulroney."

Among the key questions asked by editorialists and the opposition why did it take almost eight weeks—from Nov. 29 to Jan. 22, the day the Prime Minister said he first heard of the episode—for someone to tell Mulroney about it, and why did another three weeks pass before any action was taken? Some speculated that Mulroney, traditionally loyal to old friends, was hoping the affair would never be aired and that a slap on Coates's wrists would suffice. The timing, argued Broadbent in an interview, "showed a considerable vacillation and a lack of firmness—and perhaps depth—in judgment when he accepts the resignation of one man [Coates] who, at best and according to all the evidence, committed at best a misdemeanor, and on the other hand a man [MacKay] who completely abrogates his responsibility as solicitor general by having a meeting with a man [Hatfield] who is currently being investigated. It shows very bad judgment, and because of the bad judgment, Mr. Mulroney has contributed to his own mess this week."

Judgment: Many opposition MPs indicated a sadness for Coates. But they showed little sympathy for Solicitor General MacKay, or for Mulroney and his reluctance to accept that the minister might have erred in judgment. MacKay, the minister responsible for the RCMP, has acknowledged that he met with Hatfield in an Ottawa hotel last October, 19 days before the premier was charged with possession of the marijuana that was discovered in his luggage during last fall's royal visit. MacKay's refusal to give details led Liberal MP John Nunziata to argue, "One can only conclude that he is hiding something and merely clinging to power." Both Hatfield and MacKay said the meeting had to do with the RCMP investigation of the premier. But MacKay insisted that an internal review by the RCMP would eventually remove any uncertainties.



New uniforms for the armed forces: a fantasy in white becomes a nightmare in Tory blue

Nielsen: no word



OTTAWA CITIZEN

On the Coates affair, critics specifically wanted to know whether there might have been other, more serious indiscretions than the Lahr incident during his European tour. Coates aide Rick Logan, who also lost his job, argued that his boss "could have hung in, because he did nothing wrong." But former solicitor general Robert Kaplan told *Maclean's*, "In itself, from what we know, going into a bar in West Germany might have been more moderately dealt with by the Prime Minister." Even Micki O'Neil expressed disbelief and sadness. "I don't understand why he resigned," she said last week from Lahr. "He did nothing wrong."

Insiders have speculated for some time that Coates would be among the first to leave cabinet—although far more likely to the Senate than to the back benches. Now he seems determined to stay on as the member from the Nova Scotia constituency of Cumberland-Colchester.

Uniforms: In an exchange of letters, Mulroney praised Coates for his "lasting contribution." Coates's short term of office left a legacy of $55.6 million worth of new uniforms, but few other achievements. More to the point, budget cuts (Defence lost $154 million in the Nov. 8 financial announcement) meant that such promised undertakings as new recruits and new equipment had to be delayed—if indeed they are ever delivered. Coates was also a hawk destined soon to clash with the more moderate Clark.

As well, some sources said that Coates may actually have been relieved to leave the cabinet, although he almost certainly would have preferred a prime ministerial escort to the Senate than out to his ear. After 27 years of having few political concerns other than those of his mainly rural riding, Coates had finally experienced the pressures of 18-hour days. At the same time, sources said that Coates was aware that the chief of the defence staff, Lt.-Gen. G.C.E. Theriault, and others at defence headquarters were not impressed with his manner of running the department or with his constant reminders of just who was in charge and his single-handed push for the new uniforms despite Defence's reservations.

As a result, there was little indication of sadness in the department on the night of Coates's resignation. Said one close friend: "He didn't want to face [the press] after what happened to MacKay and Hatfield. It was a personal decision. If he had been 35 and single he would have done exactly that, but he didn't want to put his wife and daughter through that."

With Coates's departure, the defence department was left temporarily in the hands of Clark. A promised review of defence policy—the first since 1971—is at least delayed. A "green paper" setting out policy options for debate, originally slated for late February, now appears to have been put off until April. Speculation about a replacement for Coates centred on Supply and Services Minister Harvie Andre. He wants the job, was defence critic in opposition and has been a strong, if infrequent, performer in the House. The 44-year-old Andre, however, has a somewhat troubled past. He was a director of an Alberta real estate firm and tax shelter that collapsed in the late 1970s, became the centre of a public inquiry and kept him out of the Clark cabinet in 1979. He is involved in litigation related to the bankruptcy. Other possible candidates include Allan McKinnon, the MP from Victoria who was Clark's defence minister; Labor Minister William McKnight, and Revenue Minister Perrin Beatty.

Severe: Still, the events of last week clearly ruffled the Canadian romance with Mulroney, although the government appeared to have recovered most of the lost ground with a highly successful first ministers conference in Regina. "My own guess," the NDP's Broadbent told *Maclean's* when he arrived back in the House on Friday, "is that it is Phase 2 of 'the end of the honeymoon.' Phase 1 was the week just before Parliament recessed at Christmas, when the Conservatives were under very severe attack [on the issue of maintaining universal social programs]. They knew it, and they hurt badly," he added. "They sort of regrouped over the break but then they came back and they revealed, gradually, that they were just as incompetent in other matters as they were in their handling of the universality issue." Perhaps. But with a remarkably durable 30-point lead in public opinion polls and a 211-seat majority in the 282-seat Commons, the Tories can weather more than a passing storm.

With Terry Hargreaves, Hilary Mackenzie and Michael Rose in Ottawa, David North in Lahr, Peter Lewis in Brussels and Brent King in Amherst.



Coates's home in Amherst, N.S.: 'once the blood is in the water, they all circle'

Clark: old foes



BRIAN WHITE MACLEAN'S

The downfall of a minister

By Robert Miller



On the morning of Tuesday, Feb 12, his last day as Canada's defence minister, Robert Coates appeared to be relaxed and self-assured—unruffled by a three-week-long crescendo of Ottawa gossip about his performance in a job he had coveted for years and had enjoyed to the hilt for five months. At 9:30 a.m. Coates cordially welcomed an old friend—Ottawa business consultant William Morrison—to his West Block office on Parliament Hill. At that meeting, Coates asked Morrison, 57, to join his staff as "senior adviser-operations." Morrison subsequently told *Maclean's* that he accepted the appointment, after asking for and receiving an assurance that the gossip—much of which related to Coates's Nov. 27-Dec. 9, 1984, visit to West Germany, Turkey, Belgium and Britain—posed no serious threat to the minister's position. Said Morrison: "I had heard the gossip—this town is a rumor mill—and I put it to him. I asked Coates if he was in trouble. He said, 'Absolutely not. Categorically no.' "

Rolling: Later that morning, having reached an agreement that Morrison would join the minister's staff "as soon as possible," the two men left Coates's office and strolled to the Centre Block, where they shook hands and went their separate ways—Morrison to begin rearranging his private business affairs, Coates apparently to attend a meeting of the powerful cabinet committee on policies and priorities. At that time, the presses of the Ottawa *Citizen* were rolling, printing a front-pege account of a late-night November visit by the defence minister to a bar featuring striptease dancere and pornographic movies near the Canadian Forces Base at Lahr, West Germany. Barely three hours later a shaken Coates rose in the House of Commons to announce that he had resigned from the cabinet.

Morrison, a veteran Progressive Conservative insider and a staunch supporter of Prime Minister Brian Mulroney's 1983 campaign for the party leadership, said that he watched Coates's 3 p.m. performance on television. A well-to-do widower, Morrison said he was "stunned" by the development—more dismayed for Coates than concerned about his own position. He added: "It was the craziest thing, the shortest job I ever held. I was supposed to do all the documentation, the paperwork relating to my appointment later that afternoon. I never got there."

Among the rumors Morrison said he put to Coates at their morning meeting was one concerning careless handling of North Atlantic Treaty Organization (NATO) documents at Lahr. "I asked Coates about it," Morrison said, "and he told me the story was absolutely false. He said that no one in his right mind would take NATO documents to a mess dinner or anywhere else. He said that all documents at Lahr had been locked away by military personnel. I was completely reassured." As for the minister's resignation, Morrison said he believed the reasons Coates cited in his Commons statement: his respect for Mulroney, his sense of honor and his determination to clear his name through legal action. Said Morrison: "I have known Bob Coates for 25 years. He has the same warts a lot of us do, but he is an honorable guy."

Mystery: Still, Morrison's account of Coates's last morning in office served to deepen the already profound mystery surrounding Coates's sudden decision to resign and Mulroney's equally sudden decision to accept his departure—particularly when a Mulroney-ordered security investigation, conducted through the office of cabinet secretary Gordon Osbaldeston, had established to the Prime Minister's complete satisfaction that Coates had neither breached nor endangered national security.

According to Morrison—he served in 1983 on a Mulroney-appointed committee assigned to do initial planning for the transition to Tory rule that eventually followed the Sept. 4, 1984, federal election—his meeting with Coates came at short notice. But whether the impetus for the meeting came from the defence ministry, elsewhere in government or merely from Morrison's own willingness to consider a public-sector job remained unclear. Said Morrison: "The meeting was set up over the phone on Monday by Rick Logan [Coates's chief of staff]. Mind you, I had received word—I will not say from whom—on the weekend that such a call might come. Anyway, it was my understanding that I was being brought in to replace Duncan Edmonds, although my duties would be somewhat different from his."

Edmonds, 48, a prosperous Ottawa-based business consultant, had joined Coates's staff on Oct. 1, 1984, as a senior adviser primarily assigned to prepare a green paper on reshaping Canada's armed forces. He resigned abruptly—and unhappily—on Jan. 17 and returned to his company, JDE Consulting Services Ltd. In an interview with *Maclean's* last Friday, Edmonds was extremely cautious in his choice of words, but he left little doubt that his brief rsturn to the public sector as a senior adviser to Coates had been frustrating. He said that his access to the minister had been extremely limited, and that after Coates returned from his trip to Europe on Dec. 9, "I barely saw him. I would very much have welcomed the opportunity to have had some time with Mr. Coates. But, whenever I asked Mr. Logan about the possibility, it didn't seem to be convenient."

Hopes: Edmonds said he began his defence job with high hopes. "Last September, two or three days after the new cabinet was sworn in, Mr. Coates invited me to lunch at the Four Seasons Hotel in Ottawa. Mr. Logan joined us." During the lunch, Edmonds was hired. Edmonds had served in 1977-78 as a senior policy adviser to then-opposition leader Joe Clark, but his lengthy, if intermittent, experience in the public ssetor was primarily gained under Liberal governments led by the late Lester B. Pearson. During the 1960s Edmonds held a variety of appointments, including that of executive assistent to former external affairs minister Paul Martin and that of founding director of the Company of Young Canadians. He is also a former assistant professor of political science at Ottawa's Carlton University.

Sold: During most of the 1970s he concentrated on expanding the consulting business of Public Affairs International Ltd., a company he controlled with Torrance Wylie, a former national director of the Liberal party (Edmonds sold his interest in the firm in 1977). Still, after the 1984 Mulroney landslide, Edmonds was interested in returning to the public sector. "We had a new government likely to be here for some time, and there was a call out for people to come forward and participate," he said.

Shortly after he joined Coates's staff last fall, Edmonds travelled to Europe with the new defence minister's par-



O'Neil (left) and cabaret in Lahr: striptease dancers, pornographic movies, cocktails with Coates and then a resignation

ty—it included Logan, 43, as well as senior military personnel headed by Lt.-Gen. Gerard Theriault, chief of the Canadian defence staff. The party left Ottawa on Oct. 8 aboard a government-owned Boeing 707 and flew to Milan, before travelling by helicopter to the Italian resort town of Stresa for an Oct. 10-12 meeting of NATO's nuclear planning group.

Rumors: From Italy, Coates and his party flew to London on Oct. 13 for talks with British military officials before returning to Ottawa on Oct. 16. The October trip, like the four-nation tour later in the year, gave rise to numerous rumors in Ottawa of high living among some members of the Canadian delegation. But none of the gossip could be confirmed. Edmonds refused to discuss the October trip, except in terms of its official business. Asked to assess Coates's behavior on that trip more specifically, Edmonds replied, "I do not want to comment publicly on Mr. Coates's behavior on that trip."

In early November Coates asked Edmonds to accompany a blue-ribbon delegation of 10 Canadian corporate executives representing the Business Council on National Issues (BCNI) on a visit to Germany, Belgium and Britain. The BCNI group had just produced what Edmonds described as "a first-class report on Canadian defence policy"—the subject he was researching for the ministry's now-delayed green paper—and Edmonds said that he found the BCNI tour to have been "a very enjoyable, very helpful trip." Added Edmonds: "When I got back, Mr. Coates was getting ready to go on his trip. We [Coates, Logan and Edmonds] left the question of my going along sort of up in the air. I made no particular effort to go. I was not particularly enthusiastic about the Turkish part of the itinerary because of the situation within NATO in the eastern Mediterranean [both Turkey and Greece are NATO members, although their bilateral relations are strained]. In the end, I went to my vacation home in Boca Raton, Fla., and played golf for a week."

The trip that eventually led to Coates's resignation was something less than a tour de force in support of Canada's image abroad—if only because of Coates's visit to the Lahr nightclub known as Tiffany. But *Maclean's* has established that it was considerably more than the "tour de farce" depicted by Ottawa gossipmongers. The trip began at Ottawa airport on the damp, overcast evening of Nov. 27. Coates and his party travelled aboard a white Canadian Armed Forces twin-engined Challenger jet. An official log records that the Challenger was scheduled to take off at 6 p.m. for a two-hour flight to Goose Bay, Labrador, where it took on fuel and the party spent the night.

According to the official manifest, there were seven passengers: Coates, Logan, press secretary Geoff Matthews, assistant deputy defence minister (policy) John Anderson, policy adviser Paul Dunn, Lt.-Col. George Akamoto, Coates's staff officer, and warrant officer Michel Morency. The armed forces have two Challenger jets, both equipped with galleys to serve prepacked airline meals, as well as coffee, tea, soft drinks and alcoholic beverages. One of the passengers, who refused to be quoted by name, said he did not remember "anyone having a drink of liquor. The minister drank tea—he likes tea."



Canadair's Challenger jet: an official tour with a costly interlude in Europe

Stunning: The Challenger took off from Goose Bay at 10:30 a.m., Nov. 28, and flew without incident to Lahr, a town of 48,000 in the Black Forest area of Bavaria. There are roughly 14,000 Canadian servicemen stationed at the Lahr NATO base. Coates and his party landed at 7 p.m. local time, and were met by Maj.-Gen. David Wightman, commander of Canadian forces in Europe. Coates was assigned a VIP suite in the Black Forest Officers Mess, a stunning facility inherited by the Canadians from the French when they withdrew from NATO. After brief introductions, the minister and his party, together with senior officers and their wives, were entertained at an informal dinner hosted by Wightman.

Privates: Lt.-Col. Leonard Dant, senior information officer with the Canadian forces in Europe, told *Maclean's*: "The dinner went on until midnight, at which point the minister left and ostensibly went to his suite. The next morning, I understand, the commander [Wightman] picked him up and put him on the airplane. What happened in the private time of the minister is not for me to comment on. I don't know what he did. The last the commander saw of him, he was heading upstairs."

Coates did not stay upstairs, a decision which led to what Mulroney described 10 weeks later as "an error in judgment." Shortly after Coates retired from the dinner, he, together with Logan and Matthews, left the base in Wightman's car, apparently in search of a nightcap. They found it at the nearby Tiffany, a modestly decorated nightclub where three strippers compete with hardcore pornographic films for the customers' attention.

David North, *Maclean's* European bureau chief, reported that the club occupies part of a long, cream-painted, single-story building in Lahr's industrial estate area. The neighboring premises are an electrical appliance wholesale company and a small commercial printing plant. Inside, there is a long, well-stocked bar, backed by mirrors, bottles and nude pinups. There is a small triangular stage, where the dancers disrobe. There are two seating areas—one austere and containing plastic-topped tables and straight-backed chairs, the other a more comfortable series of chesterfields where well-heeled patrons may sit with off-duty entertainers, who are invariably thirsty for expensive drinks.



Brussels hotel: few opportunities to relax in a crowded schedule enveloped by security because of fears about urban terrorism

Drinking: During his visit, in the early morning hours of Nov. 29, Coates spent roughly 90 minutes drinking with, and talking to, a long-legged pink-and-brown haired dancer with the stage name of Micki O'Neil, a 38-year-old German divorcee and mother of two teenage boys. O'Neil, who declined to divulge her real name, told North, "I am a bit too old for this business, but I am a little bit young in my heart." She added: "I don't remember what he said. I did not think he was anyone particularly important. He was very charming, very polite. They all were."

O'Neil said goodbye to Coates and went backstage to put on the costume she takes off in her act, *Fantasy in White*, danced to a Julio Iglesias record. By the time O'Neil finished her performance, she said, the minister had left. "I went home," she added. "I am always glad to see my bed after a night's work."

Tiffany's owner is 25-year-old Lothar Schaudt, a six-foot businessman who has been in the nightclub business since he was 18. Said Schaudt: "There is no upstairs or downstairs here. Any kind of sexual contact is strictly forbidden. We have no prostitutes here, absolutely none." Indeed, Tiffany is typical of uncounted German nightclubs that cater to a mainly unescorted male clientele willing to pay steep prices for drinks and company. It is not off limits to Canadian troops, but most do not go back—mainly because of the price list. According to Schaudt, who shares a nearby chalet with a girlfriend named Sonja and a Yorkshire terrier named Kiki—both spend their evenings at the bar with Schaudt—Coates, Logan and Matthews left the establishment before its normal 3 a.m. weekday closing time. A little more than four hours later Coates's Challenger took off from Lahr and flew to Ankara's Esenhoga Airport, landing in the Turkish capital at 11 a.m. local time.

Logan: a 12-day swing



From a diplomatic point of view, the Turkish leg of Coates's tour was the most sensitive—because of Canada's desire to maintain good relations with Grasce, as well as Turkey. During his three nights and two days in Ankara, Coates maintained a swift pace, hurrying from meeting to meeting with Turkish ministers and military officers. He and the rest of the Canadian delegation had barely set foot in Asia Minor on Nov. 29 before they were rushed to an official luncheon hosted by Canadian Ambassador Gilles Mathieu at his residence on Turan Emeksiz Street. The minister's party was billeted at the plush, highrise Buyuk [Grand] Hotel, on Ataturk Blvd. in the centre of Ankara. The Buyuk, described by political counsellor Harry Stirling of the Canadian embassy as Ankara's "only international-class hotel," boasts a rooftop restaurant with the near-mandatory cabaret featuring belly dancers as well as a stunning view of the hills surrounding the city.

Coates had three principal missions in Turkey, in addition to his normal duties as a defence minister visiting a NATO ally. He was seeking to promote the possible sale of a Candu nuclear reactor to the Turks, to help the

federally owned deHavilland Aircraft Co of Canada Ltd. secure a $500-million sale of Buffalo-model military aircraft, possibly through an arrangement with a Turkish firm which would manufacture them under licence, and to complete the gift of 20 CF-104 Starfighter jets to the Turkish air force.

During the brief stay Coates met with Turkish Defence Minister Zeki Yavuzturk, Deputy Prime Minister Kaya Erdem and Gen. Necdet Urug. He held a noon-hour press conference at the Turkish General Staff Building, part of the military compound covering a city block and fronting on downtown Milli Mudafa (National Defence) Street. And he was guest of honor at a Turkish Officers' Club luncheon hosted by Yavuzturk. Stirling said the Coates party had "very little free time." But even if their itinerary had been wide open, there were few options for recreation. Despite its population of almost two million, Ankara's Ulus nightclub district is small, even provincial.

Luxurious: The Challenger left Ankara for Brussels and the NATO ministers' meeting at 7 a.m. on Dec. 2, arriving at Mels Airport in the Belgian capital at 11:15 a.m. local time. Coates stayed in a fifth-floor room of the luxurious Hyatt Regency Hotel, and once again was confronted with a heavy schedule of meetings and official social events. Security surrounding the semi-annual meeting of the NATO Defence Planning Council was even tighter than usual, chiefly because of renewed concern about urban terrorism across Europe. Coates's official car was accompanied by a Belgian motorcycle escort on its seven-kilometre trips between his hotel and the huge NATO complex of low, white, prefabricated buildings in the suburb of Evere.

During the NATO sessions on Dec. 4-5 there was virtually no free time. On the night of Dec. 3 Coates was the dinner guest of Canadian Ambassador to NATO James Taylor at Taylor's official residence. On the night of Dec. 4 he attended a formal dinner at Egmont Palace, a splendid downtown government mansion, as the guest of Belgian Defence Minister Freddy Vreven. He was entertained at lunch on Dec. 4 by NATO military commanders and on Dec. 5 by Lord Carrington, a former foreign secretary in Prime Minister Margaret Thatcher's British government and currently NATO secretary-general.

In addition, Coates had a number of bilateral meetings, including an afternoon talk with U.S. Defense Secretary Caspar Weinberger on Dec. 4. The final NATO session did not end until 6 p.m. on Dec. 5, after which Coates gave a press conference in the small Lange Room at NATO headquarters. He read a statement which, aides said, closely paralleled his words in the plenary sessions, assuring Canada's NATO partners that although details remained to be worked out, the Mulroney government intended to expand its commitment to the alliance.

The following morning, Dec. 6, Coates's aircraft took off for London's Heathrow airport at 9 a.m., arriving at 9:55. He and his party stayed at the Sheraton Park Tower hotel, in the fashionable West London district of Knightsbridge. In contrast to the demanding pace Coates maintained in Ankara and Brussels, the final British leg of his tour was almost leisurely. On Dec. 7 he visited British Aerospace, the country's largest defence contractor, for a briefing. The following day he travelled to the headquarters of the British army air corps, in the village of Middle Wallop, 135 km west of London. There, he had lunch with senior officers and watched a helicopter display staged by British pilots. The following morning the Challenger departed Heathrow at 10 a.m., stopping at Keflavik, Iceland, to refuel, and landing in Ottawa at 6 p.m. EST—after 12 days of travel.



Schaudt, contact strictly forbiddan

Holiday: According to Edmonds, after Coates returned to his Ottawa office the minister briefed his senior staff on the Turkish leg of the trip. Apart from that, Edmonds said, he had little contact with his boss—in part because Coates spent the Christmas holiday in Hawaii, where he was joined later by Logan and Matthews and where he made a speech to the Pacific Parliamentary Association. Said Edmonds: "In the two weeks after New Year's I barely saw him." Then, following what he described only as "one or two insignificant changes in the way the office was run," Edmonds made a decision. "I felt that perhaps I ought to offer my resignation, which I did on Jan. 17. There was no response that day. But the next day, at 10 a.m., I received a copy of a memo from Mr. Logan to the department saying, in effect, that my contract was terminated as of that day and that I should have one month's pay. I cleaned out my desk, completed the paperwork and left the office at noon." Edmonds said he received a cordial letter, hand-delivered to his home, from Coates on Monday, Jan. 2, in which the minister wished him well on his return to the private sector.

Action: Edmonds refused to say whether he had complained or discussed his brief return to government service with senior officials. But he told *Maclean's*, "After my resignation I took what I considered professionally to be the appropriate action." He declined to elaborate, other than to add, "I have acted honorably and correctly throughout."

For his part, cabinet secretary Osbaldeston began an investigation into the Coates affair, bringing it to the attention of Mulroney on Jan. 22, according to William Fox, the Prime Minister's secretary. The investigation continued in its various forms until Feb. 12. That was the day Coates hired Morrison, the day the Ottawa *Citizen* published its report on Coates's night out at Tiffany's in Lahr, and the day Coates resigned the job he had wanted for so long. For Coates, Feb. 12 ended sadly—back in his office, among a handful of well-wishers, including several fellow Tories from Nova Scotia and such longtime caucus colleagues as veterans affairs minister George Hees. A staff member ordered three buckets of Kentucky Fried Chicken in case anyone was hungry, and one or two callers accepted a glass of wine. But most did not tarry.

With David North in Lahr, Peter Lewis in Brussels, Ian Mather in London, Brent Kingin Amherst and Roy MacGregor, Hilary Mackenzie, Michael Rose and Terry Hargreaves in Ottawa.

The man who would not fit

By Mary Janigan

From the moment that he became defence minister last September, Robert Coates, 56, stood out as a political wild card in Prime Minister Brian Mulroney's cabinet. The earthy and dogmatically conservative parliamentary veteran craved the defence portfolio since he was first elected as part of John Diefenbaker's minority government in 1957. Throughout his nearly 28 years in the House of Commons, Coates advocated increased military spending, preached law and order, and supported, almost slavishly, U.S. defence policies. And he had little patience with anyone who disagreed with him. In the five months since his appointment as defence minister, the Mulroney loyalist became the military's biggest fan. But he displayed a loose grip on the complexities of his portfolio, crossed swords publicly with fellow ministers and needlessly insulted Canada's growing peace lobby. With that reputation and record, his resignation last week was both a blow and a private relief to the Mulroney government.

Small-town: Coates was born on March 10, 1928, in the small industrial town of Amherst, N.S. There, his wife, Mary, lives year-round in a cozy white house while Coates rents an Ottawa apartment, commuting home to Amherst on weekends.

Coates, the son of a cattle buyer, received a bachelor of arts degree in political science from Mount Allison University in nearby Sackville, N.B., in 1951 and, three years later, graduated from Dalhousie University law school in Halifax. In 1954 he married Mary Blanche Wade of Perth Junction, N.B. The couple has two children, David Wade, 29, a teacher, and Amy Marijo, 27, a Toronto lawyer. In 1957 Coates, then 29, stood as a candidate in Cumberland riding and went to Parliament in the Diefenbaker sweep. In 10 elections since, he was re-elected each time.

Back-bencher: With his first election victory, Coates settled into the role of dogged back-bencher—a man who studiously performed his duties in the riding but rarely shone on the Commons floor. He only came to national attention in 1966 when he aided Diefenbaker in his futile bid to keep the Conservative leadership. As a strong and ferociously loyal supporter, Coates chronicled that struggle in a bitter book, *The Night of the Knives*.



Coates and Mulroney: a case of removing a wild card from the pack

FRED CHARTRAND/CP

Throughout the next 17 years Coates was a constant critic in caucus of the party's two leaders, fellow Nova Scotian Robert Stanfield and Joe Clark. In 1969 he joined his hero Diefenbaker in a renegade Conservative group that voted against the Official Languages Act. When Clark succeeded Stanfield in February, 1976, Coates tried to play a more active role in party affairs. He won the party presidency in late 1977 and worked hard over the next 18 months to secure victory in the May, 1979, federal election. But Clark did not name Coates to his cabinet. When Clark's minority government fell seven months after taking office, Coates was an incredulous—and unconsulted—bystander. By the time he gave up his post as party president in March, 1981, he was one of Mulroney's earliest and most loyal supporters.

Right-wing: But although Coates appealed to a constituency of right-wing Conservatives who still longed for the Diefenbaker days, he alienated many moderate party members. In 1977 he toured South Africa as a guest of the state and then wrote a series of laudatory articles about the apartheid regime. He demanded capital punishment for all premeditated murders. He also criticized 1968 Criminal Code amendments that removed sanctions against homosexuality, stating that "the easier we make it for people to be homosexual, the more we will have."

Ironically, when Mulroney paid his political debt and put Coates in cabinet, the bitterness accumulated over 16 years began to fall away. But the new minister never did manage to develop political acumen. Last fall he gloated to Winnipeg businessmen that the peace movement was "in very bad shape"—which was "only right and proper." He praised the controversial U.S. Star Wars initiative as a boon to Canadian industry at the same time as his cabinet colleague External Affairs Minister Clark expressed concern about its implications for world peace. One of his few accomplishments in office was to ensure that the services will get distinctive uniforms at a cost of more than $55 million. His tragedy is that he waited 27 long and bitter years for a job that lasted only five months.

Private lives and public duties

By Mary Janigan

During the nearly 28 years that Robert Carman Coates has served in the House of Commons, he has seen political ambitions dashed by the intrusion of private indiscretions on public duty. Some MPs, whose frailties have damaged their careers, departed quietly. But others—now including Coates—have been driven by publicity to abandon or interrupt their political careers.

The most explosive case was the notorious Munsinger affair, the saga of the playgirl whose relationships with Tory cabinet ministers raised questions about potential breaches of national security. But the rollcall of damage includes both Liberals and Conservatives, men charged with crimes and others who were challenged for what Prime Minister Brian Mulroney described in the Coates case as "probably an error in judgment that you or I or any other imperfect human being could make."

Uproar: The Munsinger revelations emerged from the rivalry that existed between two Prime Ministers of the 1960s, Liberal Lester B. Pearson and Conservative John Diefenbaker. In March, 1966, amid Tory accusations against the Pearson cabinet, then-justice minister Lucien Cardin revealed that ministers in the Diefenbaker government had consorted with a German woman who was "a bona fide security case." Within a week, *The Toronto Star* had found Gerda Munsinger in Munich, West Germany. She acknowledged that she was acquainted with former associate defence minister Pierre Sévigny and former trade minister George Hees.

In the ensuing uproar Pearson set up an inquiry by Supreme Court Justice Wishart F. Spence. RCMP files showed that German border police had arrested Munsinger in 1949 on minor charges of spying for the Soviets. By 1955, she was a Montreal playgirl. Spence concluded that Sévigny, now a professor of public finance at Montreal's Concordia University, had jeopardized security because of his affair. He decided that Hees, now the veterans' affairs minister in the Mulroney government, had merely lunched with Munsinger so that his "lack of discretion was slight but regrettable." And Spence censured Diefenbaker for his failure to dismiss Sévigny when he first learned about the affair from the RCMP in 1960. "Doubt must always be resolved in favor of the national security," Spence wrote.



O'NEIL STUDIO/CP

Munsinger: a titillating historical footnote with a moral

Critical: Nineteen years later, the Munsinger scandal lingers as a titillating historical footnote with a moral. Sévigny had quit Diefenbaker's cabinet in 1963 in a defence policy dispute and lost his Commons seat in an election that year. In an interview at the time of the inquiry, he remarked, "If every cabinet minister and every member of Parliament had a bell around his neck for every woman he knew, there would be an awful din in the House of Commons."

Sévigny: defensive



The Pearson years were marked by two other ministerial scandals. In January, 1965, minister without portfolio Yvon Dupuis resigned amid charges that he had accepted $10,000 from a syndicate to secure a race track licence. Dupuis later overturned a conviction for influence peddling on appeal. Six months after Dupuis resigned, Guy Favreau quit as justice minister after a judicial inquiry criticized his handling of allegations that bribes had been offered to obtain bail for drug smuggler Lucien Rivard. An inquiry backed Favreau's decision that there had been insufficient evidence to prosecute but said that he should have consulted departmental legal advisers.

Haunted: Under former Liberal prime minister Pierre Trudeau, there were four more resignations. In 1976 Urban Affairs Minister André Ouellet was found guilty of contempt of court for criticizing a judge who acquitted three sugar companies in an anti-combines case. In 1978 Solicitor General Francis Fox admitted that he had had an affair with a married woman who became pregnant—and he forged her husband's signature on a hospital abortion consent form. The same year, Labor Minister John Munro called a judge in favor of a constituent facing trial. And in August, 1983, Mines Minister Roger Simmons resigned to face charges of tax evasion. He is appealing a conviction.

For Coates and Mulroney the precedents provided in recent history are mixed. Some ministers came back, if briefly, to cabinet—Favreau, Ouellet, Fox and Munro. But all were haunted by their past. And all found that their conduct had hurt their party almost as much as it had damaged their lives. ◇

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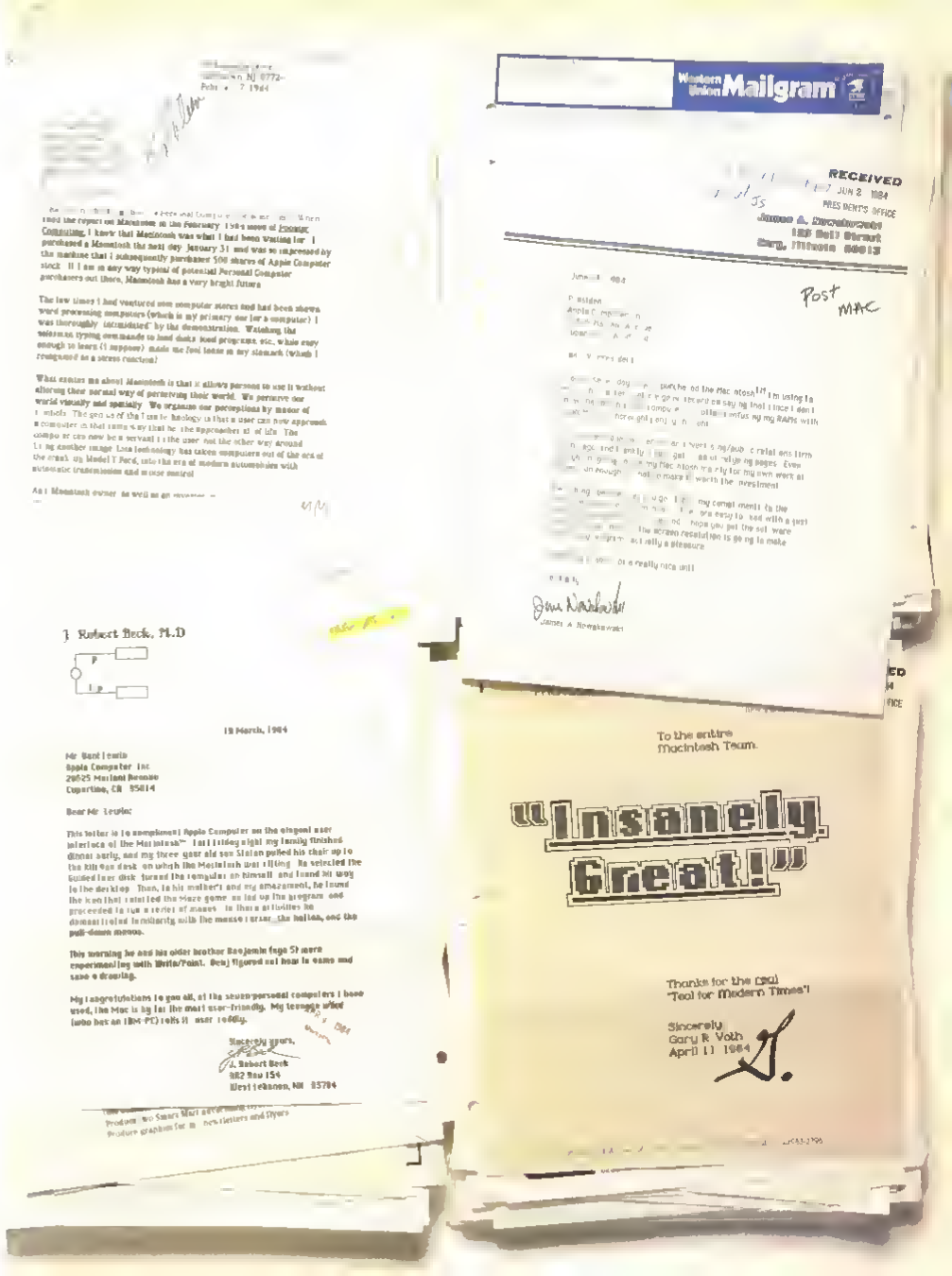
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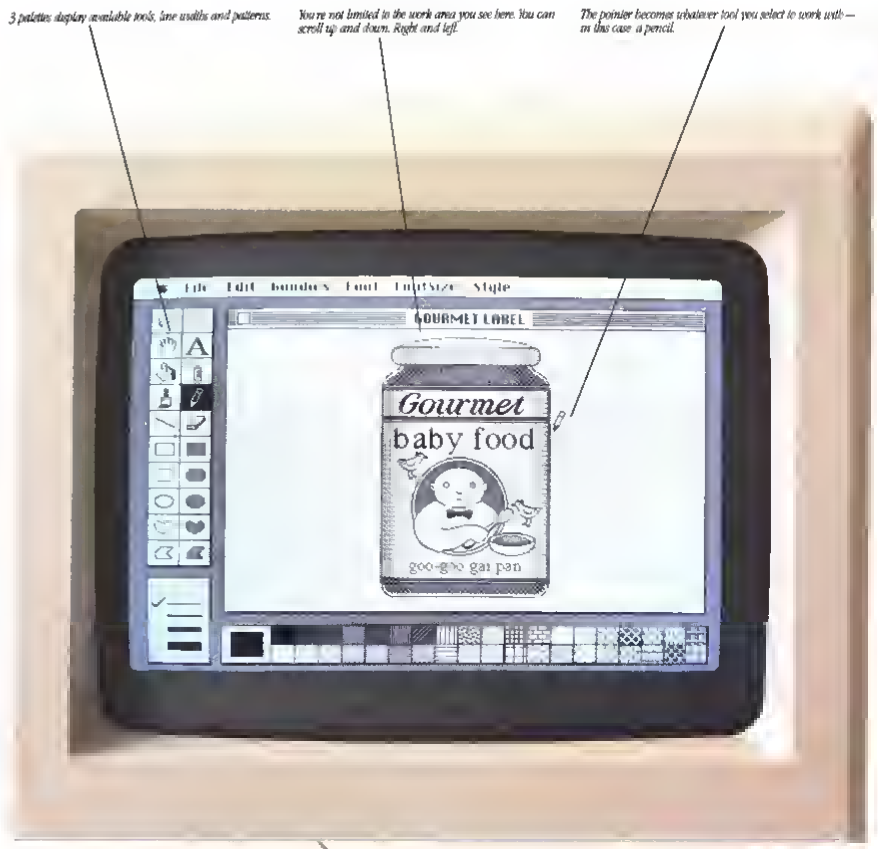
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Macintosh was designed by people who know everything there is to know about computers, so that you wouldn't have to.

It doesn't come with volumes of instruction manuals to explain how to use it, because it comes with 200-person-years of built-in software that make Macintosh easier to use.

Its brain is the blindingly fast 32-bit MC68000 microprocessor — far more powerful than the 16-bit 8088 found in current generation computers. Which not only makes Macintosh easier to use but easier to learn.

In fact, chances are you'll be using it in less than an hour.

It all boils down to our firm belief that simple is better.

Take Macintosh's keyboard, for example.

It has noticeably fewer keys than an IBM. Yet it can do noticeably more things. With noticeably less effort.

All thanks to the most useful key known to computing: the mouse.

The mouse not only replaces the complicated keys that clutter a keyboard. It replaces the complicated keystroke commands that can clutter your brain.

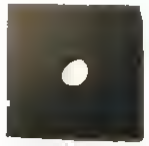
The garden variety 16 bit 8088 microprocessor



Macintosh's 32 bit MC68000 microprocessor



So you can point, click, cut and paste your way through even the most complicated document or presentation, concentrating on what you're doing instead of how to do it.



Standard 5¼" floppy disk.



Macintosh's 400K 3½" disk.

Macintosh's 3½" hard-shell disks are another example of the way Macintosh takes into account the human being who uses it.

First of all, they store more than conventional 5¼" floppies — 400K. Yet they're small enough to fit in a shirt pocket.

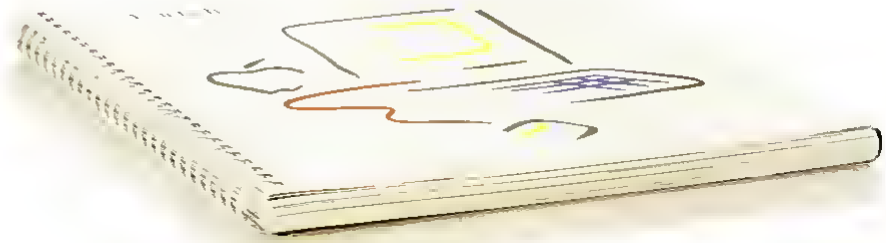
And while their unique size makes them a whole lot handier, their hard shell protects them from the number one cause of data loss: handling.

We could go on and on.

But before we end up writing volumes of our own about Macintosh, we'd like to leave you pondering these final words.

"DOS ERROR."

Because the less sense they make, the more sense Macintosh makes.



If you can point, you can use Macintosh, too.



It's probably safe to assume, at this point, that you can point.

And having mastered the oldest known method of making yourself understood, you've also mastered using the most sophisticated business computer yet developed.

Macintosh.

Designed on the simple premise that a computer is a lot more useful if it's easy to use.

So, first of all, we made the screen layout resemble a desktop, displaying pictures of objects you'll have no trouble recognizing. File folders. Clipboards. Even a trash can.

Then we developed a natural way for you to pick up, hold and move these objects around. That small, rolling box affectionately known as a "mouse."

To tell Macintosh what you want to do, you simply move the mouse until you're pointing at the object or function you want.

Then click the button on top of the mouse, and you instantly begin working with that object. Open a file folder. Review the papers inside. Read a memo. Use a calculator. And so on.

You can also use the mouse to perform two other vital functions on Macintosh: cutting and pasting.

You can not only cut and paste words, numbers and pictures within each Macintosh program, you can also cut between the programs.

If you wanted to illustrate a memo with a drawing or chart, for example, you could create your text in Macintosh's word processing program, MacWrite, create your illustration in the graphics program, MacPaint, and then cut and paste the two together.

Just like you would with scissors and paper.

Whether you're working with words, numbers or even pictures, Macintosh works the same basic way. In other words, once you've learned to use one Macintosh program, you've learned to use them all.

On the following pages we'll show you how easy Macintosh is to use.

If it seems extraordinarily simple, it's probably because conventional computers are extraordinarily complicated.

Congratulations
You're now as much of a computer expert as you'll ever need to be.
And now we'll show you how to put your new-found skills to use.

Macintosh automatically makes room for your illustration in the text



Paste.

And now, to finish your memo, bring up MacWrite, Macintosh's word processing program. Just pick a place for your illustration. (Macintosh will automatically make room for it.)

In the meantime, your illustration has been conveniently stored in another part of Macintosh's ample memory.

To paste the illustration into your memo, move the mouse pointer once again to the Edit menu at the top of the screen.

This time, you pull the mouse down until 'Paste' is highlighted by a black bar. Release the mouse button and, once again, zap.



With Macintosh, you can print out your own office forms or stationery, in addition to whatever you print on them

Splendora Foods, Inc.
Div of Krug/Helm Luxury Industries

TO Prof Dr Ing G Helm
FROM Klaus "Sonny" Helm
SUBJECT Gourmet Baby Food

Pappa believe me when I say that *this time* we have a real winner for the U S market — a new product concept so hot even your Zurich bankers will like it



In America the "Yuppies" — Young Urban Professionals — are having babies at an unprecedented rate And literally *nothing* is too good for these infants of the affluent In fact they're called **Gourmet Babies!** So we propose to offer traditional Yuppie foods — sushi pasta salads brie cheese etc. — *in baby food form*

It an absolutely guaranteed winner Pat[illegible] And it need

And print.

You tell a Macintosh Personal Computer to print the same way you tell it to do everything else — move the mouse pointer to "File" and pull it down until "Print" is highlighted in a black bar. And provided you have a printer, you'll immediately see your work in print.

Your work, all your work, and nothing but your work. Because with Macintosh's companion printer, Imagewriter, you can print out everything you can put on Macintosh's screen

Now that there's a computer you can actually use, here's how you can actually use it.



First, enlarge your vocabulary.

Earlier in this magazine, we showed you how Macintosh™ has made the phrase *"easy-to-use"* credible again.

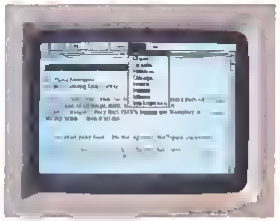
Now it's time to show you something incredible.

Namely, some of the new Macintosh software that's rapidly turning the world's easiest-to-use business computer into the world's most useful business computer.

Starting with a computer function that's become as commonplace in the American office as MBA's and paper clips.

Word processing.

Any computer worth its weight in silicon can do an adequate job of shuffling words around. If, that is, you've memorized all the complex commands to make it happen.



Macintosh's MacWrite program lets you go from New York to San Francisco by simply pointing and clicking the mouse.

But with Macintosh's various word processing programs, you can shuffle words, sentences, paragraphs and pages like they've never been shuffled before.

In large type sizes. In small type sizes. In in-between type sizes.

In boldface, italics or underlined.

You can even select different type fonts. From a business style we call *New York*, to an Old English style called *London*.

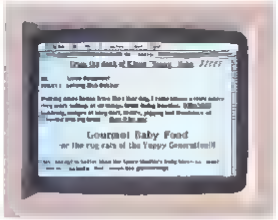
But where Macintosh really leaves ordinary computers stumbling over their own microprocessors is in its extraordinary ability to mix text with graphics.

Thanks to the incredible power of Macintosh's 32-bit technology, you can actually illustrate your point with graphs, charts and freehand drawings created on Macintosh graphics programs.

Turning ordinary word processing into a whole new form of communication. Simply by utilizing the world's oldest known form of communication.

Pointing.

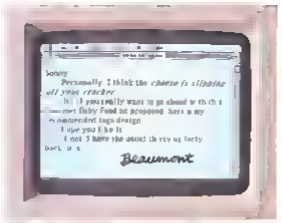
Because anything and everything you might want to do with words can be done with a simple point and click of Macintosh's mouse.



You can also use various type sizes with MacWrite.

Want to move a paragraph? Just point and click.

Want to produce hundreds of personalized form letters from a single document? Just point and click.



Why sign your name with something as old fashioned as a pen when you can just as easily do it with Macintosh?



Macintosh's pull down menus spell out every available option.

Want to include a key state map in your quarterly sales report? Just point and click.

With Macintosh, words like "command sequence", "type CONTROL QA" and "syntax error" will never come between you and what you want to say.

Because at Apple, we think it's more important for you to concentrate on the words that are in your vocabulary.

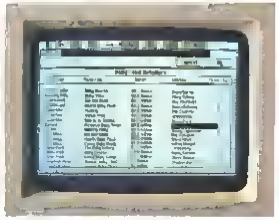
Not the computer's.

Next, set your records straight.

If you've ever used a business computer before, you're probably familiar with the term "data base management."

Of course, if you've ever used a telephone book before, you're also familiar with the term data base management.

Because, simply put, data base management is exactly what it says it is. A way to manage data.



Macintosh data bases, like OverVUE™ and pfs:® File, let you look at information in chronological or alphabetical order.

Any data.

Sales records. Personnel files. Expense reports. Account lists. Appointment calendars. Price lists. Inventories.

Or the phone numbers of everyone in French Lick, Indiana, whose last name begins with the letter X.

Now while a phone book may be very easy to use, it's very limited in the way it can handle data.

And while computers give you unlimited ways to file and retrieve data, they're anything but easy to use.

Unless, of course, the computer happens to be named Macintosh.

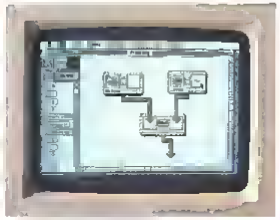
With Macintosh data base management programs, you can store information and cross-tabulate files any way you want.

About as easily as you would look up a number in the phone book.

Say, for instance, you want a listing of your top five salespeople in the top five markets in the U.S.

You can do that with other computers. But by the time you memorize all the keystroke commands to make it happen, the information will probably be out of date.

Macintosh, on the other hand, will tell you everything you want to know with a simple point and click of the mouse. In almost any form your finger can dream up.



Other Macintosh programs, like Helix, let you look at information in ways it's never been looked at before.

From numbers to text. From an ordinary list, to a not-so-ordinary U.S. map that highlights key states.

From an electronic reproduction of your company's invoices, to pictures of your company's product that let you file and retrieve information visually.

And if you work for a company that needs to manage greater amounts of data, like the C.I.A., you can get Macintosh with 512K of internal memory. Or go all the way up to our biggest brain, Lisa,® that's available with up to 74 megabytes of storage.

Of course, the best reason for using Macintosh to manage your data isn't its ability to cross-reference information. Or its ability to selectively retrieve files.

Or even the spiffy way it incorporates graphics.

The best reason to use Macintosh is that it lets you spend a lot less time looking for information, and a lot more time deciding what to do with it.

And virtually no time learning how to use a computer.



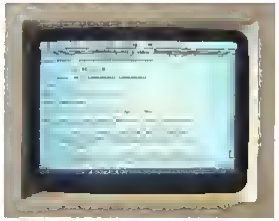
Flexivision's™ incredible graphics let you break out new data from old data.

Send your finger on a fact finding mission.

You've seen how Macintosh is a whiz at helping you put your finger on any information you have on hand.

But what if you need to know something that's not in your files?

Like up-to-the-minute stock quotes. Or the number of freeze-dried vegetarian turkeys stored in your Winnemucca warehouse.



If you can think it, you can use Macintosh to talk to other computers across the hall. Or across the Atlantic.

You could spend half the day on the phone. Or wait a day and a half for overnight mail.

Or you could let your finger do the talking. And get instant answers to all your questions with Macintosh.

All it takes is a communications program called MacTerminal. And an Apple® Modem. A simple device that lets you send or receive any information from virtually any computer anywhere over standard phone lines.

At about the speed of light.

Including one type of information that normally moves at a much slower pace.

The mail.

In computer circles, this is commonly referred to as "electronic mail." And any computer with half a microprocessor can do an adequate job of it.

The difference is, Macintosh's powerful 32-bit microprocessor makes it uncommonly easy.

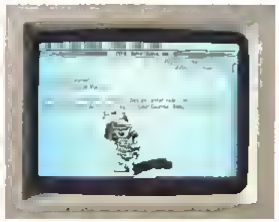
By simply pointing and clicking the mouse, you can zap a letter off to every branch manager in every branch office in North America.

Or a chart. Or a spreadsheet. Or a sketch of your R & D department's new idea for edible soap.

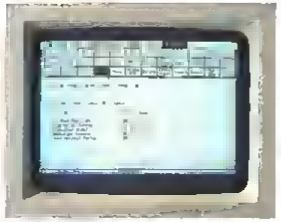
You can also tap into commercial information services. Such as Dow Jones News/Retrieval,® CompuServe,® The Source℠ and The Official Airline Guide.®

Which allows you to use Macintosh for everything from scanning *The Wall Street Journal* to making your own airline reservations.

Plus, Macintosh speaks DEC® VT100,™ VT52,™ TTY and IBM® 3270* like a native. So you can pull data



Macintosh can even transmit freehand drawings, graphs, charts, spreadsheets, and electronically reproduced photographs.



IBM is finally talking to us. Thanks to Macintosh's ability to access mainframes through 3270 series emulation.

directly from your company's mainframe.

Now if you think all that's impressive, you haven't read anything yet.

Once you've cut the figures you want from the mainframe, you can paste them directly into a Macintosh spreadsheet. Then turn the numbers into a chart with a Macintosh chart program. And last, but certainly not least, you can print out the chart as part of a report.

Total elapsed time: around 20 minutes.

Try that on an ordinary business computer, and it'll wind up being mission impossible.

*Additional hardware required.

Once you've answered your questions, question your answers.

In the beginning, there was the paper spreadsheet. And it was good.

That is, until you had to change some of your numbers. In which case, a paper spreadsheet would wear a pencil down to a nub in nothing flat.

Not to mention your brain.

Then, along came the electronic spreadsheet. A computerized version of the common paper spreadsheet. Sans pencil. And it was better.

But there was still one major drawback. You had to use it on a common computer. Which meant hours and hours of trying to learn how.

Now, along comes Macintosh.

And neither spreadsheets nor computers will ever be the same again.

Using a spreadsheet program like Microsoft's Multiplan® or Lotus® new integrated Macintosh software, you can make better, faster, more informed business decisions.

Without having to go through a grouchy computer to answer your questions. Or for that matter, to question your answers.

What if, for example, you want to do something as simple as change a column width?

On an ordinary computer (say an IBM PC, for instance), it's a not-quite-so-simple four-key command sequence.

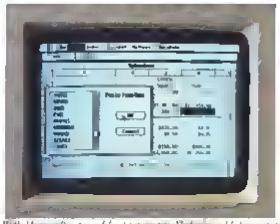
On Macintosh, you just point to the column with the mouse and click.

And you can revise entire budgets, forecasts, business plans and stock trends the same basic way.

What if suppliers increase their finance charges 2% per year over the next five years?

What if Amalgamated Consolidated goes up 1%? Or down 1%?

What if the company hires four new vice-presidents next quarter?

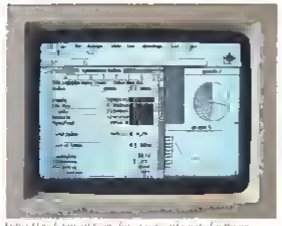


With Microsoft's spreadsheet program, you can do away with keyboard commands. Every function is replaced by a simple point and click of the mouse.

The hefty power of Macintosh's 32-bit microprocessor lets you answer those questions—and more—by simply pointing to the spreadsheet cells you want to change, clicking the mouse and entering the new numbers.

If you're a serious number cruncher, you can equip your Macintosh with an optional numeric key pad.

And for larger spreadsheets you have the option to move up to a 512K Macintosh.



Lotus Development Corporation's integrated software program for Macintosh that will be available early 1985.

You can even merge information from different spreadsheets to create models complex enough to excite a Pentagon planner.

Which means you can balance hundreds and hundreds of variables, allowing you to thoroughly analyze any business decision.

Before you have to make it.

In the process, you get a more complete, intuitive understanding of where you are. And where you're going.

But best of all, you don't have to understand the first thing about computers to get there.

*Available from Lotus Development Corporation early 1985

Then show off your figures.

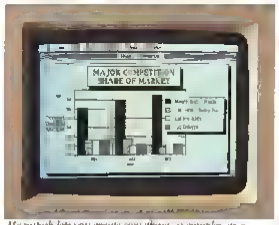
Whether you're an accountant, an insurance salesman, a product manager or own a chain of free haircut parlors, chances are you have to deal with numbers.

And numbers.

And more numbers.

And even more numbers.

And the more numbers you deal with, the more you need a computer like Macintosh. And a business graphics program like Microsoft Chart.



Macintosh lets you create something as complex as a vertical bar chart. With something as simple as your finger.

Together, they give you a powerful tool for turning rows and rows of numbers nobody understands, into charts and graphs everybody understands.

In a matter of minutes.

Because the same way you would use Macintosh to change numbers in a spreadsheet, is the same way you can change any number of digits into one comprehensible illustration.

By using a single digit—your finger—to point and click the mouse.

Which is a lot more fun than wading through reams of data trying to draw your own conclusions.

Or wading through manuals the size of the greater Manhattan Yellow Pages trying to get an ordinary computer to do it for you.

Let's say, for instance, you want to visualize the results of a complex market analysis.

With Macintosh, it's anything but complex.

First, enter your data into a Macintosh business graphics program.

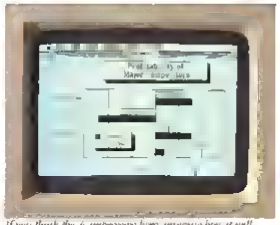
Or to make things even easier on yourself, simply "cut" numbers from your spreadsheet program and 'paste' them directly into the graphics program.

Then go to the pull-down menu to select the type of chart or graph you'd like to use.

Point to the one you want. Click the button on the mouse.

And *voila!*

Right before your very eyes, up pops a bar chart. Or a pie chart.



If you think this is impressive here, imagine how it will look in your next presentation.

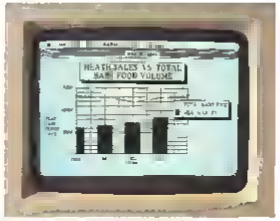
Or a line graph. Or a scatter graph.

Or any one of 40 charts and graphs built into the program.

Of course, if you don't like any of those, you can always create your own. Whatever it takes to make your numbers make sense.

And when you're done with that, you can do more of the same with forecasts, budgets, stock trends, customer demographics or media analyses.

Virtually nothing is immune to communicating better, when it's communicated visually.



Pick a chart. Any chart. Macintosh makes it easy.

And should you care to share that observation with your associates, you can.

Because any chart or graph that appears on your screen can be printed out for a presentation—either on paper or for overhead transparencies.

You can even customize your print-outs and transparencies with labels and legends. In any type style or size your finger desires.

Just as if it had been prepared by the art department.

Which points out a fact our competition would like you to ignore.

Macintosh lets you communicate in a way no one can ignore.

If they still don't get the idea, draw them a picture.

Despite all the amazing technology and engineering genius we've put into Macintosh, the most impressive thing just might be what you can get out of it.

Magic.

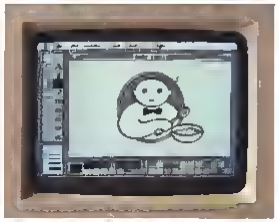
From a program we call MacPaint.

MacPaint turns Macintosh into a combination architects drafting table, artists easel and illustrators sketch pad.

Which means, for the first time, a computer can produce any image the human hand can create. Because the Macintosh mouse allows the human hand to create it.

You can doodle. Cross-hatch. Fill-in. Spray paint. Or erase.

Using nothing but the mouse.



You can even blow up certain areas of your drawing to add highlights. Or hair.

So, in those situations where it takes a thousand or so words to say what you want to say, you can draw what you want to say.

Even if you're not a natural born artist.

Because MacPaint comes replete with a whole art store full of special tools for designing everything from office forms to technical illustrations. Along with type styles for lettering, captions, labels and headlines.

So you can make your presentations more presentable by incorporating custom graphics. Without going through the time, trouble and expense of hiring a design studio.

Using a video camera and a device called a digitizer, you can even use Macintosh to electronically reproduce photographs that can be printed out and included in a presentation.

And here's a fun project for the weekend.

Start your own company.

It's not as hard as it sounds, considering you can design your own logo and letterhead with MacPaint.

Or, for even less artistically-inclined folk, there are programs like ClickArt™ and Mac the Knife™ that have a scrapbook-full of professional illustrations you can use.



And for the ultimate in realistic renditions, you can add additional hardware to Macintosh that electronically reproduces photographs.

And if the company you start happens to be an architectural or interior design firm, boy are you in luck.

There's a new series of Macintosh programs from Hayden Software called DaVinci Landscapes, Interiors and Buildings that lets you work with hundreds of professional architectural tools including floorplans for homes and offices. Building elevations. And elevated views of landscaping. All drawn to scale. You can use them as is, or alter them to fit your plans.

Which is very similar to the way our own MacDraw program works for interior design.

It puts electronic "graph paper" and "rulers" on the screen for drawing walls, tables, desks and shelves. All in perfect scale.

Throw in a few headings and captions, run it through a printer, and you've got an instant floor plan of your client's new branch office.

Or for the living room of that cute little Cape Cod you just went 30 years in debt for.

All by doing little more than pointing and clicking the mouse.

Maybe that's not exactly magic.

But it certainly is sleight of hand.

Now that you know "what," figure out who, where, when and how.

Over the past 12 pages, we've shown you how Macintosh can do everything the average business person needs the average business computer to do

Word processing Data base management. Data communications Spreadsheets And business graphics

In a way that's anything but average

Now you're about to see something no other business computer can touch

Average or otherwise

It's called MacProject. And combined with Macintosh's amazing 32-bit power, it makes project planning easier than falling off an IBM user manual

Once you figure out the "what" of a project—whether its marketing a new product, producing a 40-page brochure or building a building—you suddenly come face-to-face with that dreaded enemy that has sent many a middle level manager to an early retirement.

The deadline

And as we all know, deadlines never move

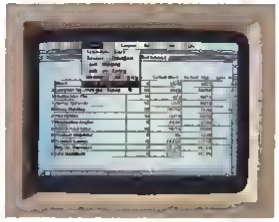
So the thing that really has to move is the project. Which is where MacProject comes in handy

MacProject lets you create a visual schedule that tracks the critical path to completion of any project. From start to finish

The same way you do everything else with Macintosh: by simply pointing and clicking the mouse

All you have to do is enter the tasks and resources involved into the MacProject program

The "whos." The "whens." The "wheres." And the "hows."



MacProject's project table tells you at a glance who's doing what, when.

MacProject does the rest.

It calculates dates. It assigns individual deadlines. And then pulls it all together into a flow chart

If there's a single change in any phase of the project, MacProject will automatically recalculate every other phase and create a revised flow chart

So you can generate business plans and status reports that reflect the realities of the job. Not the limitations of your computer.

And if you're involved in a really gigantic project—like the Long Island to London Subway—the 512K version of Macintosh can produce a timeline that stretches from here to the other side of your office. And back.

Obviously, capabilities like these will save you an incredible amount



MacProject can tell you what you'll be doing Friday. Even if it's only Monday.

of time when it comes to managing a project.

But it'll also save you some time when you go to an authorized Apple dealer to see Macintosh for yourself

Because now you have one less thing to figure out

Why you should buy one.

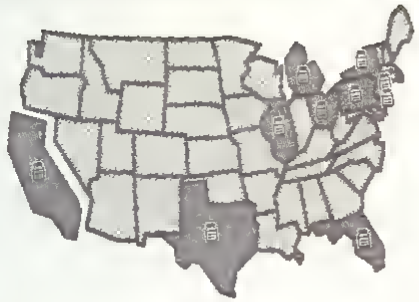
And now we're going to show you in black and white some pretty colourful examples of what a Macintosh can do for your business

It takes minutes of practice to make Macintosh do this.



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POTENTIAL GOURMET BABY FOOD MARKET



CALIFORNIA Location	Retailer	Sales	Contact
Beverly Hills	Baby Heaven	$4.9 million	Diana Barton
Beverly Hills	Baby Time	$2.8 million	Mary Rainey
Total sales for Beverly Hills		**$7.7 million**	
Brentwood	Rat and Smile	$2.3 million	Guy Kawasaki
Brentwood	Health Baby Food	$2.3 million	Steve Rabosky
Total sales for Brentwood		**$4.6 million**	
Cupertino	Yummy	$1.3 million	Dan Cochran
Cupertino	Happy Baby	$1.6 million	Al Rossmann
Cupertino	Bay Area Babies	$1.1 million	Susan Kare
Total sales for Cupertino		**$4.0 million**	
Eureka	Hirsch's Baby Town	$4.5 million	Jeff Hirsch
Eureka	Healthy Baby	$2.3 million	Penny Kapousouz
Total sales for Eureka		**$6.8 million**	
Menlo Park	The Baby Eatery	$1.2 million	Liz Bradley
Menlo Park	Baby Locker	$3.6 million	Kathy Kreiner
Menlo Park	Fancy Baby Foods	$2.2 million	Steve Hayden
Total sales for Menlo Park		**$7.0 million**	

PROPOSED SPOKESBABY

After interviewing across the country, we selected this spokesbaby for **Gourmet Baby Food**. She has the looks and poise that we've been searching for.



Name. Ms Catherine Celeste Boyko
Birthdate: June 15, 1984

Bust: 9" **Waist:** 12" **Hips:** 10"
Height: 25" **Weight:** 17 lbs

Hair: TBD **Eyes:** Hazel **Dress Size.** 002

Ambitions: To travel on foot and hold my head up
Turn-offs: Insincere people, wet diapers, chotic
Favorite Movies: Fantasia, The Muppets Take Manhattan, Berlin Alexanderplatz
Favorite Foods: Goo Goo Gai Pan
Biggest Joy. Shiny objects.

Whether you deal with words, numbers, graphs, drawings, flow charts —or all of the above—Macintosh™ can make your work a good deal easier than it's ever been before.

And better looking than it's ever been before.

The best example of that we can think of is the example we've been showing you all along.

The new product proposal for Gourmet Baby Food you saw being constructed on Macintosh just a few short pages ago.

Printed out here, in glorious black and white.

While it may look like the work of a professional design studio, we assure you it's merely the product of some not-so-professional Macintosh users.

Who know virtually nothing about computers.

Except how to point and click a mouse.

And this.

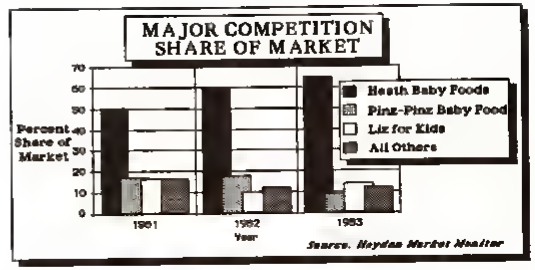
SPLENDORA GOURMET BABY FOOD
3 YEAR PROFIT AND LOSS STRUCTURE

The Splendora baby food line will be profitable in 1987. High initial marketing and promotion costs will be scaled back. At that time, sales will have reached the 215M case level.

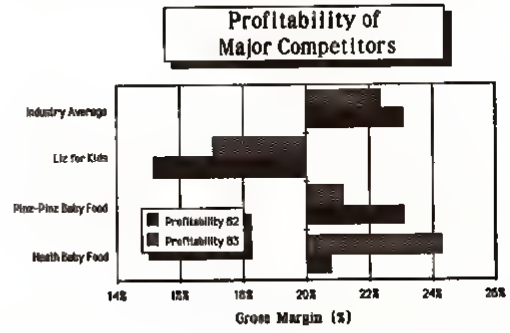
Pro Forma Profit & Loss Statement
(000's)
Current Dollars

	1985	1986	1987
Shipments	49	98	215
Net Sales	$3,978 80	$7,957 60	$17,458 00
COGS	2,785.16	5,570.32	12,220.60
Gross Profit	$1,193 64	$2,387 28	$5237.40
Marketing Expenditures			
Media/Production	$2,500 00	$2,500 00	$3,000 00
Couponing (Intro)	200 00	200 00	0 00
Point-of-Sale	75 00	75 00	0 00
Other Promotion (P R.)	100 00	100 00	0 00
Trade Allowances	416 50	833 00	0 00
Market Research	150.00	150.00	250.00
Total Marketing Expense	$3,441.50	$3,858.00	$3,250.00
Net Profit	($2,247.86)	($1,470.72)	$1,987.40

MAJOR COMPETITION



The strongest competitor in the market is Heath Baby Foods, with a 65% share in 1983. The other two national brands, Pinz-Pinz and Liz for Kids, represent only a 23% market share. As the second chart indicates, market share is not an indicator of profitability in this market.



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Then you'll understand why people never overlook anything produced on a Macintosh.

And this.

LABEL DESIGN

After extensive testing and research of 37 different label designs, *this* is the one 9 out of 10 toddlers reach for.

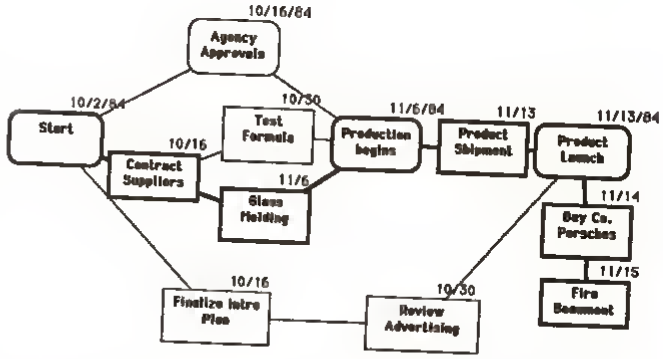


Gourmet strained scampi SilverSpoon



PRODUCT INTRODUCTION TIMELINE

This is an aggressive, yet feasible timeline for the introduction of **Gourmet Baby Foods.**



While it will tie up a good deal of Splendora's resources in production and the lab, our experience (the introduction of vegetarian turkey in 1980) indicates that Splendora is capable of handling the volume. Also, the more current resources we use, the more profitable we will be.

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Sandpiper Computer Systems Ltd
Taurus Computers
The Answer
Tomorrowland Computers Ltd.
Victoria Personal Computers Ltd.
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International Computer
J-R Business Equipment
Landmark Information Systems Inc
Light Computer Centre
Lyons Logic Ltd.
Maple City Office Equipment Ltd
MD Business Systems
MicroCenter
Micromation Ltd.
Micronic Computer Centre
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Skalbania: a subject for cocktail talk

Vancouver gossips began to chatter about **Eleni Skalbania**, 41, just over two years ago when her estranged husband, **Nelson**, 46, the real estate entrepreneur famous for making—and losing—millions, poured out his heart to his wife at a dinner party for 450 members of Vancouver's business elite. Said Skalbania: "Eleni, in the past five years you have given me 125 per cent of yourself and I took it for granted. Hereafter, I'll be the damnedest, most loving, considerate husband instead of being such an ass." Now, with their marriage reconciled, Eleni is once again a subject for cocktail-circuit discussion. But the new talk concerns her business prowess. With a renovation investment of $3.5 million, she has transformed a rundown apartment block into one of Vancouver's classiest and most prosperous hotels. Since it opened last June, the Wedgewood has become a favorite stopping-off spot for stars such as **Tom Selleck** and **Sean Connery**. According to Skalbania, the key to the inn's success has been personal high-quality service. "We believe in pampering," she said. And, like her husband, her guests love it.

The title track of **Chaka Khan**'s sixth and biggest-selling album, *I Feel for You*, begins with the pulsating, hypnotic and sensual chant "*Chakakhanchakakhanchakakhan*"—a fitting prelude by singer **Grandmastar Malla Mal** to the wailing, bluesy voice of America's hottest, wildest female singer. Critics awarded Khan with superstar status last year after her version of *Ain't Nobody* won two rhythm and blues Grammies. But the 31-year-old Chicago-born native has been a notable musical presence since she made her recording debut with the band Rufus in 1972. Free-living and free-loving, Khan made no secret of the fact that she revelled in drugs and sex. Renowned for a blood-red bush of hair, Khan once sported a platinum coiffure styled into a phallic symbol. Now a mother of two and living with **Albert Saresohn**, a schoolteacher, she admits that the journey from conehead to lioness marks a new maturity. But growing up has its limits. "I like waking up sober and dealing with my life straight," said Khan. "But I still like to experiment."



Khan. pulsating, hypnotic and sensual

After pioneering punk rock in the mid-1970s as the creator of The Sex Pistols, former fashion designer and now pop starmaker **Malcolm McLaren** developed a wildly irreverent attitude toward the music industry. Not content with his behind-the-scenes role with such British new wave acts as **Adam Ant** and Bow Wow Wow, McLaren became a recording star in his own right three years ago with his *Duck Rock* album. Now the mercurial McLaren has set his sights on opera, which he calls "the last, best-dressed art form." The leap from punk to **Puccini** has paid off. Already the album *Fans*, including his recording of a modern-day *Madama Butterfly* as well as his rendition of **Bizet**'s *Carmen*, has become such a hit that New York producer **Joseph Papp** recently approached him about mounting it on the stage. But McLaren, who is now searching Hollywood and New York for a producer to film his updated story of *Beauty and the Beast*, is nonplussed by the prima donna attention. Said McLaren: "I guess I must be the flavor of the month."

For **Stanley Burke**, the busy 62-year-old publisher of the Nanaimo, B.C., *Times*, there is always time for a just cause. Throughout his long and varied career as a reporter, broadcaster and author, Burke has worked to establish media standards and raise funds for starving refugees in Biafra. But his current crusade is closest to his heart. The former navy officer is trying to raise $7 million to launch Canada's own tall ship. If Burke succeeds, the barque, provisionally named The Spirit of Canada, will join an international flotilla of tall ships scheduled to arrive in Vancouver harbor during Expo 86. Said Burke: "Canada has one of the longest coastlines in the world and our history is inextricably linked to the waterways. That we do not have our own tall ship is simply an anomaly."

—EDITED BY SHONA MCKAY

Burke: a crusade close to his heart



Israel's perilous withdrawal

By Ross Laver

From a hilltop overlooking the port city of Sidon last week, Israeli Defence Minister Yitzhak Rabin surveyed the preparations for the first phase of the Israeli army's withdrawal from war-ravaged south Lebanon. Said Rabin: "We are interested that the area will remain quiet, and that there will be no disorder, riots and bloodshed." It was a statement that seemed to be based more on hope than on realism. The fear and suspicion gripping Sidon suggested that once the Israelis complete their pullout, southern Lebanon will erupt —as rival Christian, Druze and Shi'ite Moslem militias vie for supremacy. Declared a nervous relief worker: "There is going to be a power vacuum and somebody is going to fill it. When you have a vacuum, all kinds of slime come out."

Indeed, even before the Israeli soldiers began dismantling their frontline checkpoints along the Awali River last week, the bloodletting had begun. Security sources reported that at least 30 Lebanese and Palestinians acting as agents or informers for Israel in south Lebanon had been assassinated by unidentified gunmen in the past seven weeks. Attacks on Israeli troops in occupied territory have also increased dramatically, with four soldiers killed and at least two dozen injured so far this month. In Sidon nightly shootouts forced many residents to huddle indoors. "This wild firing scares me," said one Christian woman brandishing the key to her apartment block's underground air-raid shelter. "Any of us could be killed by an unlucky bullet."

From Israel's standpoint, the heightened danger of guerrilla attacks made the withdrawal all the more urgent. In the first stage of the pullout, completed at week's end, convoys of Israeli army trucks moved equipment from the northern front to a new line between the Zahrani and Litani rivers, about 15 km north of the Israeli-Lebanese border. Then, by April 30, Israeli troops are expected to retreat from the Beka'a Valley in eastern Lebanon, where they now face an estimated 30,000 Syrian troops. In the third and final phase—due to be completed by September—all Israeli units will be pulled safely back across the international border, although Jerusalem still plans to create a buffer zone 10 to 20 km deep on the Lebanese side under the control of its local militia, the South Lebanon Army (SLA).

But the withdrawal is an extremely tense operation. Lebanese officials claimed last week that about 1,300 SLA members, nearly half the total force, had deserted or been captured recently—a charge that Jerusalem denied. And since the Israeli cabinet decided last month to end its costly occupation of Lebanon, Shi'ite Moslem guerrillas have stepped up attacks, bringing to 616 the Israeli death toll since the invasion on June 6, 1982. In one clash last week, army reservists Yehuda Tuval, 40, and Yitzhak Bareli, 27, died when Lebanese guerrillas assaulted their position guarding the approaches to Israel's northernmost settlement, Metulla. Two days later guerrillas opened fire with rocket-propelled grenades and small arms at an army post east of Nabatiyeh in south Lebanon, wounding six Israelis. In response, Israeli soldiers staged frequent search-and-arrest operations, and at one point they killed 11 guerrillas and captured nine who were trying to cross the Awali.

The new Israeli line, running diagonally instead of east-west along the Awali River, is about twice as long as the old one and, because of the exposed terrain, it is much harder to defend. Said Mohammad Ghaddar, a Shi'ite leader in Sidon: "The [Lebanese] resistance will have more freedom to move and more men to fight with." Hoping to minimize casualties, Israeli leaders kept the exact hour of their departure from Sidon a closely guarded secret. Admitted Rabin: "I know that every move will exact a painful price and I am not trying to obscure this."



Israeli soldiers leaving south Lebanon: even before the military pullout the daily bloodletting had begun

Nor were the Israelis making friends among troops of the United Nations Interim Force in Lebanon (UNIFIL), whose role is to help keep the peace. When eight French UNIFIL soldiers last week tried to stop the Israeli raid on Bourj Rahhal, a Shi'ite village near Tyre, a fistfight ensued. Said UNIFIL spokesman Timor Goskel: "We are in an area with a hysterical population and a hysterical occupying army. We are caught in the middle."

At the same time, there were fears that the Israeli withdrawal could spark a struggle in nearby Palestinian camps between Syrian-backed groups and supporters of Yasser Arafat, embattled leader of the Palestine Liberation Organization. Some observers believe that the Syrians, now the dominant outside power in Lebanon, may flood the area with their armed Palestinian supporters in an effort to forestall a political comeback by Arafat, their hated adversary. "We are confident that we can avoid trouble if we are left alone," declared a Palestinian social worker at the Ain Al-Hilwe camp near Sidon. "But we are afraid of people coming from outside, trying to stir up trouble."



King Fahd with Reagan: a flurry of diplomatic activity and hopes for peace

Until the last moment, Israeli forces remained concentrated in a few key positions near Sidon, tensely awaiting the final evacuation order. Israeli soldiers at the Awali bridge checkpoint opened fire on Lebanese civilians trying to cross the bridge and harassed Western correspondents waiting to chronicle the retreat. A short distance north, hundreds of Lebanese Army troops stood at alert, waiting to move in when the Israelis departed. At one point, the Lebanese tried to take control of another bridge already abandoned by Israel's SLA allies and civilians rushed to cross from each direction. But the Israelis promptly confronted the Lebanese troops, forcing them to withdraw.

As the deadline for the pullout neared, the hostility aroused among local villagers by the Israeli actions was clear. Originally, many Shi'ites greeted the Israelis as liberators, freeing south Lebanon from the yoke of Palestinian terrorism. But since then anti-Israeli extremists have gradually gained support, and many Shi'ites contend that the invaders have overstayed their welcome. Said Hajj Bouhaidar, 60, a father of 13 whose house was bulldozed during an Israeli raid on the Shi'ite village of Toura last week: "The Israelis have no brains. They do not seem to realize that they are turning the people against them."

In Israel there was relief that an end to the 32-month occupation was now clearly in sight. Still, hard-line Likud members of the coalition government —including Deputy Prime Minister and Foreign Minister Yitzhak Shamir—continued to oppose the decision, arguing that without firm security guarantees from the Lebanese government PLO guerrillas would be free to move back to within firing range of Israeli settlements in northern Galilee. "I pray that people will not move out in droves if the rocket attacks resume," said Yoel Avraham, deputy mayor of Kiryat Shmona, a town of 17,000 which until 1982 was the target of frequent cross-border attacks.

In Washington, Secretary of State George Shultz expressed the hope that the Israeli pullout would improve whatever chances exist for a peaceful settlement of the Arab-Israeli dispute. Indeed, there was a flurry of diplomatic activity last week, including a White House visit by Saudi Arabia's King Fahd, who urged the Reagan administration to take a more active role in the search for Middle East peace. His visit coincided with an announcement from Jordan that King Hussein and Arafat had agreed on a framework for a joint bid to achieve a "just and peaceful settlement" of the Palestinian issue. Sources said the agreement amounted to a pledge by Arafat to drop his demand to send an independent PLO team to any future peace talks. Instead, the PLO and Jordan would send a joint delegation.

Still, Israeli officials played down the significance of the accord. Rabin, for one, maintained that there had been no substantial change in the Arab position —specifically, Arafat's refusal to recognize Israeli sovereignty in exchange for lands seized by Israel in the 1967 war. Four Damascus-based Palestinian guerrilla groups also denounced the accord.

As for the Israelis themselves, they seemed too preoccupied with the delicate task of withdrawing from Lebanon to devote much attention to the ambiguous peace plan. Some high-ranking Israelis even appeared to welcome the prospect of an emerging power struggle among rival sectarian groups. Said an aide to Prime Minister Shimon Peres last week: "The expectation is that they will be too busy fighting each other to spend much time attacking us." It seemed as much a hope as a prediction.

With Jim Muir in Sidon, David Bernstein in Jerusalem and Marci McDonald in Washington.

Caught in the cross fire of a dirty war



Government troops in Ayacucho; wives of 'disappeared' prisoners waiting at a jail door: urgency

Some 100 km south of Ayacucho, high on the rolling plains of the southern Andes, stands the Peruvian village of Sacsahamba. Tiny (population 800), isolated and scenic, it should be among the most tranquil outposts of civilization. But for the past two years the community of shepherds and small farmers has been caught up in a maelstrom of political terrorism, victimized by both sides in a vicious civil war: the rebel Sendero Luminoso (Shining Path), which hides in the hills overlooking the village, and the Peruvian Army. Almost every week government and military officials argue that the guerrilla movement is under control. Almost every week the Senderistas stage attacks that suggest otherwise. But for the war's victims in Sachabamba the claims and counterclaims are insignificant. What matters, as an Indian woman whispered in her dingy two-room hut, is that "at any time the Senderistas or the armed forces could come in and disappear us."

In fact, the London-based human rights organization Amnesty International charges that 1,000 people have died in the military's campaign against the guerrillas and another 1,000 have "disappeared." If accurate, those statistics would taint Peru with the stigma of being among the Western Hemisphere's worst human rights offenders. Conceded an air force officer at the Ayacucho airport, now under military control: "This is a dirty war. There is only one way to fight subversion, and there are always excesses."

The excesses—and the five-year-old war itself—are complicating life in a nation already racked by severe poverty, rampant inflation (110 per cent) and a foreign debt ($13.5 billion) that is equal to 80 per cent of the nation's annual output of wealth. But as Peru prepares for general elections on April 14—the first constitutional transfer of power in 40 years—many Peruvians fear that the Sendero movement and the counterinsurgency drive could claim yet another victim: the nation's fragile democracy.

The gathering crisis has plagued the final months of 72-year-old President Fernando Belaúnde Terry's five-year term. Prohibited by law from succeeding himself, the incumbent remains personally popular. But his Acción Popular ruling party is running fourth in current polls, behind the social democrats, the Marxist-led United Left and a right-wing Christian coalition respectively. At the same time, Peru's economy is nearly bankrupt. The nation currently owes $300 million in interest arrears. Per capita income ($1,246 compared to Canada's $16,173) is roughly what it was 20 years ago. Admits one presidential admirer: "When you're with Belaúnde, you can't help personally feeling warmth for him. Then you look at what's happening to the country and you have to conclude that he's out of touch with reality."



PHOTOS BY RONALD GAMMA-LAWSON

The clearest evidence of that may be the guerrilla war itself. Last summer, at the edge of the Peruvian town of Huanta, 320 km from the capital, marine Capt. Alvaro Artaza Adrianzen allegedly turned the local sports stadium into a torture chamber for civilians suspected of sympathizing with the Senderistas. After Belaúnde launched a high-level investigation, authorities discovered the bodies of 50 people that Artaza's men had allegedly murdered. Most of the dead, Prime Minister Luis Pércovich told *Maclean's*, are terrorists killed in confrontations with the military.

But the army's brute force has been matched by atrocities committed by the

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guerrillas themselves. Deriving their communist ideology from the teachings of Mao Tse-tung, the Senderistas are led by Abimael Guzman (nom de guerre, Col. Gonzalo), a hermit-like former professor of philosophy at the University of Ayacucho. He has been underground since 1980, the year the Senderistas began their campaign by systematically killing village officials, often slitting their throats in front of family members. Their use of terror, including deployment of child guerrillas as executioners, has led some observers to liken them to the Khmer Rouge, who slaughtered roughly three million Kampucheans during the 1970s.

At the same time, the Sendero Luminoso guerrillas have caused widespread economic disruption, unnerving Peruvians with regular blackouts caused by dynamiting electricity transmission towers. Last month, only hours after Pope John Paul II appealed to the rebels from a platform in Ayacucho to "convert to the cause of reconciliation and peace," the guerrillas replied by blacking out Lima.

In a rare interview published last week in *Caretas*, a Peruvian newsmagazine, a Sendero spokesman called the Pope "a rascal" and claimed that the rebels would seize power "within four years at the most." He also vowed that election day would be violent. "We do not want elections," he said. "The day of the poll, blood will be shed, people will die."

If the Sendero movement spreads, many Peruvians fear that the military may feel obliged to seize power. There are many precedents for that. Since declaring independence from Spain in 1821, Peru has endured numerous coups d'état. Belaúnde's own first presidential term ended after five years in 1968, when the army again took power. And Peru continues to allocate one-third of its $179-billion annual budget to the 135,500-man armed forces, more than any other South American nation.

The current unrest has added a new measure of urgency to the election campaign. Analysts predict that a 36-year-old social democrat, Alan García Pérez, will emerge from the slate of nine official candidates as the eventual presidential victor—although he may have to face a runoff election in May or June to capture the required 50 per cent of Peru's 7.8 million eligible votes. Both the youthful García and his party, American Popular Revolutionary Alliance, have surged ahead in opinion polls, buoyed by the promises of pragmatic government committed to conciliation. But observers warn that García will have little time and diminishing resources to reverse what may be a turbulent trend back to martial law.

—KATHRYN LEGER *in Lima.*

Autumn of a patriarch

To the people of Peru he is affectionately known as el viejo, the old man. And during a decade in office, President Fernando Belaúnde Terry has earned a reputation as an incorruptible but ineffectual leader, a dreamer preoccupied with grandiose schemes to eradicate the poverty that haunts his land. His first term of office, from 1963 to 1968, ended abruptly when members of the armed forces seized power. He returned to office in 1980 in a dazzling electoral triumph. Now, as Belaúnde completes his second and—by law—final term of office, the future looks as bleak as it did in 1968. Guerrilla warfare and a restive military have raised fears that another coup may be imminent. Still, the Peruvian patriarch, whose name has become synonymous with Latin American democracy, remains a stubborn optimist and a staunch defender of civilian rule. Recently, he spoke with Maclean's correspondent Kathryn Leger in Lima.



Belaunde, popular visionery

Maclean's: *Could Sendero Luminoso's activities escalate into civil war?*

Belaúnde: No, they just want to create conditions of unrest and tension, and I assure you we do not want that. There is not a lot of fighting. There is not a front. But there is a certain tension, and that produces occasional encounters. It's politically motivated, a result of what I call the ideological transnationals. It's a world organization. It wants to find a new battlefield for a future war. And naturally we do not want to offer our territory for that purpose.

Maclean's: *How strong is it?*

Belaunde: It's a few hundred people. Two years ago there was an escape from jail in Ayacucho. That was the beginning. There were 200 100 common offenders and 100 narcotics traffic offenders. They got together. They had to survive. That is not a movement; it is a bunch of killers.

Maclean's: *How do you respond to Amnesty International's claims that people in Peru are disappearing and being tortured by the armed forces?*

Belaúnde: [Amnesty officials] are dupes. They are just agitation people.

Maclean's: *Do you not worry about the image of Peru in the world because of reports such as the one by Amnesty?*

Belaunde. I'm more concerned about consciences, about rectitude, righteousness and dignity.

Maclean's: *What can the next government do to alleviate poverty and hunger?*

Belaunde: It is very hard to solve things overnight. There has been poverty in Peru since the republic was founded, 150 years of poverty. I cannot be asked to change that overnight. No government will change the existence of poverty. This is not humanly possible. What we can do is create conditions that will be less difficult, less painful.

Maclean's: *What about the International Monetary Fund conditions for economic austerity and Peru's ability to repay its $13.5-billion (U.S.) debt?*

Belaunde. We are not taking orders from anyone. We are giving them. Of course, we are listening to any possible advice. Conditions are difficult. Inflation in Peru is 110 per cent. But that is half of Brazil's and one-sixth of Argentina's. We do have problems, but they are not as difficult as in other countries. We are naturally discussing rescheduling. It is a matter of rescheduling or just not paying. We prefer to reschedule. We do not believe the banks will be so silly as to refuse rescheduling.

Maclean's: *You are called a visionary person, dreaming of improvements for Peru. But your critics say that you are not strong enough.*

Belaúnde: I have proven that you can rule a country without sending your enemies to jail, without closing the newspapers that criticize you, without exiling anybody. And I proved something else: that you can be in government 10 years and not make a fortune.

Maclean's: *What do you think of the future of democracy in Peru?*

Belaúnde: Democracy is here to stay. Since I returned to power in 1980 a new movement has begun in Latin America. Finally, there is a democratic solution. Whatever regime is elected will be a democratic one—otherwise it will be suicide. ◇

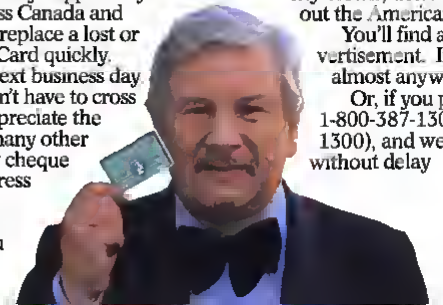


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BRITAIN

The politics of loyalty

It was a rare occurrence in British jurisprudence. Smiling broadly, a jury of eight men and four women last week delivered a verdict of not guilty in the case of Regina vs. Ponting—and London's Old Bailey courtroom swiftly exploded with emotion. A senior civil servant, Clive Ponting, had been charged with breaching Britain's Official Secrets Act by giving an opposition MP unclassified defence department data on the sinking of the Argentine battleship General Belgrano at the height of the 1982 Falklands War. In voting to acquit him the jury pointedly rejected the advice of the high court's Mr. Justice Anthony McCowan, who had instructed it to disregard the defence's central argument: that civil servants have a duty to Parliament as well as to their ministers. As cheers and applause echoed in the crowded courtroom, the 38-year-old assistant secretary of defence was released from the prisoner's dock. Said Ponting afterward: "I did what I did because it was the right thing to do."

What Ponting had done, the defence conceded, was to give Labour MP Tam Dalyell documents that contradicted claims by the government of Prime Minister Margaret Thatcher that the Belgrano had been approaching British warships inside a 200-mile exclusion zone around the Falklands. Indeed, the information provided by Ponting showed that a British navy submarine had torpedoed the Belgrano while it was steaming *away* from the exclusion zone. But the question of Ponting's loyalty—and the loyalty of all civil servants—overshadowed the question of whether the papers had breached national security.

Crown prosecutors argued that all government employees have a duty to carry out the policies of the elected government. But defence lawyers contended that Ponting had suffered a crisis of conscience when he learned that ministers were withholding unclassified information from parliament in order to avoid the political embarrassment of admitting that the Belgrano posed no threat to British sailors when it was sunk.

The surprise verdict led to renewed calls from civil libertarians and editorial writers to abolish the draconian Official Secrets Act. Passed in 1911, the act's section 2 is a catchall clause that prohibits any civil servant from releasing official information which the government declares to be confidential.

The acquittal also caused political controversy in the House of Commons. Opposition politicians last week charged that Thatcher herself had ordered Ponting's prosecution. And Labour Party chief Neil Kinnock initially accused Thatcher of virtually lying to parliament. The prime minister angrily denied the allegations and sent Kinnock three letters in 24 hours demanding that he prove—or withdraw—the allegation. Kinnock later conceded that Thatcher had not made the decision to prosecute, but he added, "There are features of this matter which generate skepticism." Indeed, as *The Times* of London commented, "Ministers cannot leave matters where they are without suffering from a suspicion that politicians who are prepared to withhold what appears to be innocuous information from parliament have got something more serious to hide."

—IAN MATHER *in London*



Ponting with wife, Sally, after the decision: a duty



Members of new political opposition celebrate victory: 'no more rubber stamps'

KOREA

A nation votes for democracy

When Kim Dae Jung was negotiating his return to South Korea last month, he offered President Chun Doo Hwan a difficult choice. On the one hand, the opposition leader said he would agree not to interfere in Korea's Feb. 12 elections by postponing his return from a 30-month exile in the United States. But the cost of that concession would be high—a publicity-rich trip through Western Europe with Kim building support for his antigovernment party. On the other hand, Kim said that he was prepared to cancel the European tour if Seoul allowed him to return before last week's vote. In the end, Chun decided to let Kim return four days before the elections, but kept him under house arrest in his modest west Seoul home. It may have been the wrong decision.

As Koreans went to the polls in record numbers—roughly 84 per cent of the nation's 24 million voters cast ballots—it was clear that even Kim's unseen presence had affected the results. Chun's ruling Democratic Justice Party (DJP) managed to retain its majority control of the national assembly, capturing 148 of 276 seats, only three fewer than it won in the 1981 election. But largely at the expense of other opposition parties, Kim's newly formed New Korean Democratic Party (NKDP) made a stunning debut, claiming 30 per cent of the popular vote and 67 seats—making it, in effect, the official opposition. Declared Kim: "The day of the rubber stamp is gone." And the NKDP might have made even greater inroads if the country's electoral laws did not automatically award the party winning a majority—Chun's DJP—an additional 61 seats.

Still, observers agreed that the election outcome had dramatically altered Korea's political landscape. "The whole ball game has changed," said one Western diplomat in Seoul. "There is now a real opposition." Chun himself conceded that the results reflected the nation's "expectations for stability and the establishment of democracy." A former general, Chun seized power in a 1980 coup and has pledged to step down in 1988 at the end of his seven-year term.

Kim said that stability will now depend on whether Chun agrees to open a dialogue with his opponents or continues to rule dictatorially. Among Kim's demands: lifting the prohibition that bars him from politics until 1988 and an official amnesty from his 20-year prison sentence for sedition. The conviction, most observers agree, was engineered by Chun in 1980 after antigovernment riots in Kwangju. Kim's political power base. The sentence was suspended in 1982, allowing Kim to emigrate.

If Kim does return to politics, he will have to contend with his new NKDP ally—and former rival—Kim Young Sam. Campaigning for democracy, the two dissidents agreed to submerge their differences. But if the truce is broken, it could split and weaken the opposition's newfound strength.

—PETER MCGILL *in Seoul*

THE ADVENTURES OF JOHN E. BUSINESS



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I told her a lot of things. Then she told me she stayed at Ramada every chance she got.



Hmmm. This lady's gun was fully loaded.

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Kampuchean refugees fleeing attack: waiting for the Chinese counterpoint

KAMPUCHEA

A crippled army seeks help

On the morning of Feb. 9, accompanied by his wife, Monique, and his white spaniel, Kampuchea's portly Prince Norodom Sihanouk toured Phum Thmey, a Khmer Rouge camp on the border with Thailand. Sihanouk's goal: to raise the morale of Communist troops who, in coalition with his own battalions and those of the non-Communist Khmer People's National Liberation Front (KPNLF), are waging an unsuccessful drive to evict occupying Vietnamese forces from their embattled homeland. But last week the Vietnamese quickly dashed the spirits of the Khmer Rouge with a crippling assault, lobbing thousands of artillery and mortar rounds into Phum Thmey and other border camps in the malaria-infested mountains of Battambang province.

The howitzer attack, which forced the rebels to disperse and sent 38,000 civilians fleeing to safety in Thailand, was the latest episode in Hanoi's three-month-old offensive to finally drive the coalition out of Kampuchea. Indeed, the campaign has been the largest—and bloodiest—since Vietnamese troops entered Kampuchea in 1978, toppling the Khmer Rouge government of Pol Pot and installing a puppet regime headed by Heng Samrin. Last month, badly outnumbered and under-armed, the KPNLF lost control of several important border camps, including their headquarters at Ampil.

Bangkok-based military analysts say that Hanoi's drive has two objectives: to push the rebels out of Kampuchea and to undermine their political credibility. At present it is the tripartite Coalition Government of Democratic Kampuchea—not Heng Samrin's regime—that is recognized by the United Nations as the legitimate government of Kampuchea. Last week one of the coalition's key backers, the six-member Association of South East Asian Nations (ASEAN), wound up a two-day meeting in Bangkok by appealing to other nations to give military aid to the resistance.

Ideally, ASEAN would like to negotiate a political settlement to the conflict. Last week's plea simply acknowledged, as one participant said, "that there cannot be a political solution without greater military pressure on the ground." That pressure can only come from a greatly rearmed insurgency or from the Khmer Rouge's chief weapons supplier, China. Chinese foreign minister Wu Xueqian hinted last month that Peking was considering a punitive strike similar to the brief but bloody 1979 war it launched following Vietnam's initial incursion into Kampuchea.

So far, China has failed to deploy the large numbers of troops on its border with Vietnam necessary for such an attack—possibly hoping not to strain relations with Vietnam's key ally, the Soviet Union. But Sihanouk said last week that China had assured him it would intervene if necessary. Said the prince: "If China does not teach Vietnam a second lesson and after the second, a third, I don't think we can be optimistic about our future."

THE SOVIET UNION

Struggling for the succession

According to one authorized account, Konstantin Chernenko is simply on winter vacation. According to another, the Soviet leader is still at work—writing articles, attending Politburo meetings and vigorously ruling the nation. But last week, after Chernenko, 73, failed to greet visiting Greek Prime Minister Andreas Papandreou, yet a third explanation for his seven-week absence from public view gained credence. Increasingly, Western Kremlinologists believe that Chernenko is incapacitated, probably from a stroke. "Within fairly short order," predicts Columbia University's Robert Legvold, "he will die."

In fact, some Soviet officials have conceded to Western diplomats that the Soviet leader, who last week completed his first year in office as general secretary of the Communist Party, is seriously ill, flatly contradicting statements issued by other Kremlin sources. The varying accounts of Chernenko's disappearance are signs, observers contend, that an intense struggle for succession is under way. As a candidate in upcoming Soviet elections, Chernenko is required to deliver a speech on Feb. 22 to his local constituency. If he misses that appointment, it would signal that the transition has begun.

Last week the Communist Party daily *Pravda* added a tantalizing new twist, publishing a front-page editorial which suggested that the succession question was very much under discussion. Said *Pravda*: "The Communist Party of the Soviet Union ensures the succession of the leadership, implementing its internal and external policies." Every Soviet leader since Vladimir Illich Lenin has died in office except Nikita Khrushchev, who was ousted in a power struggle.

Some Western observers claim that Chernenko might become the first general secretary to step down voluntarily. The heir apparent is Politburo member Mikhail Gorbachev, 53, the second secretary of the Communist Party. But a Gorbachev succession, says Edward Luttwak, senior fellow at the Georgetown Center for Strategic and International Studies in Washington, D.C., might signal a purge of the Politburo's "has-beens"—the old guard. That prospect, Luttwak added, has likely generated a stop-Gorbachev movement, promoting the candidacy of yet another interim leader—70-year-old Viktor Grishin, longtime party boss in Moscow.

—WILLIAM LOWTHER in *Washington*

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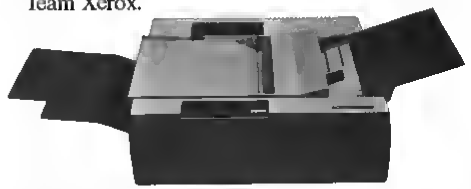


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Privatizing public care

By Michael Salter

It is an unlikely setting for the latest incursion by private enterprise into Canada's public health care system. Still, the 235-bed hospital in the sleepy town of Wetaskiwin, Alta.—population 10,022—now occupies a significant place on the medical map. Last December a 15-bed alcohol and drug addiction treatment unit opened in a converted nurses' residence on the grounds of Wetaskiwin's General Hospital. The operator of the pilot project—Vancouver-based Comprehensive Care Corp. (Canada) Ltd.—is a subsidiary of California-based Comprehensive Care Corp., which owns or manages 150 profit-making alcohol and drug treatment centres in the United States and which in 1983 had revenues of $115 million (U.S.). CompCare is only the second private U.S. health services firm to enter Canada. But other giant American firms are now preparing to move north from a country renowned as a bastion of private health care.

Traditionally, the boards of directors of Canada's 1,117 public general hospitals refused to emulate the U.S. system of private hospitals. Many critics say that as a result of having profit as a goal, the United States now has a two-tier hospital system, with private institutions for the rich and public ones for the poor. Now, Canadian hospitals are squeezed by shrinking health care budgets and increasing hospital operating costs, which in 1982 accounted for $12.5 billion of Canada's $30-billion health care bill. Chronically short of funds for expansion and often beset by costly administrative inefficiencies, hospitals are desperately searching for ways to control costs and raise money. And one method that many boards are now considering is hiring big private firms to take over the hospitals' management.

Private firms offering health care services say that they can manage hospitals using public money more efficiently—and still make a profit. The executives of private health care companies, who point out that patients do not pay extra for their firms' services, say that their bulk buying power and computerized administrative systems are the key to saving hospitals money. But critics say that the creeping privatization of health care is a dangerous trend. They insist that hiring private firms for hospital management and patient treatment is a procedure that must be examined by provincial governments, who are responsible for the public health care system. Christa Freiler, program director for the Social Planning Council of Metro Toronto and author of a 1984 report titled "Caring for Profit," contended, "We risk selling out our health care system to the private sector by default."



Built cash-strapped hospitals, a U.S. incursion and vocal critics

Officials at Wetaskiwin General Hospital, which is located about 60 km south of Edmonton, said that they decided to hire CompCare because of its extensive experience in alcohol and drug addiction treatment. Peter Langelle, the hospital's executive director, said, "It would have taken us at least two years to set up our own program from scratch." The estimated cost of the Wetaskiwin pilot project—between $200,000 and $400,000—will be shared by the hospital and CompCare. The company will not earn a profit on the venture, but it will use the project to sell its firm throughout Canada.

In Canada the only instance of a U.S. firm taking over the management of an entire hospital is found in the Ottawa Valley town of Hawkesbury. Two years ago the board of directors at the Hawkesbury and District General Hospital enlisted the help of a private sector firm to help it obtain funds. The hospital wanted to build a new, 110-bed, $16-million facility. Two-thirds of the money was to be provided by government, with the hospital responsible for the rest. But with the hospital operating at a deficit, the board found itself unable to secure a loan. Eventually, the board turned to American Medical International (Canada) Ltd., a subsidiary of California-based AMI Corp., which runs 160 hospitals in 13 countries and last year earned $155 million (U.S.) on revenues of $2.4 billion. In negotiations with the Bank of Montreal, AMI Canada secured the hospital's loan and guaranteed the bank that the company would do business with it in the future.

In late 1982 the hospital's board turned over the institution's management to AMI Canada, granting the company a 12-year contract at $300,000 per year, as well as half of any surplus profit over $750,000. AMI delivered on its commitment to efficient management. The company eliminated the hospital's $350,000 deficit and earned profits of $369,000 in 1983.

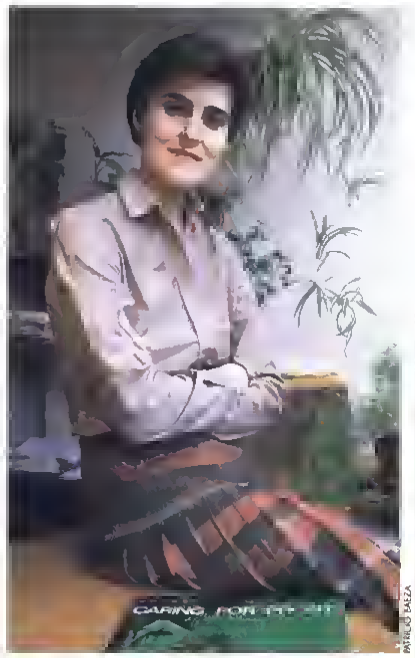
The growing interest in private management firms created by AMI's success at Hawkesbury and CompCare's new contract at Wetaskiwin has convinced other profit-making health care companies in the United States to make a major sales effort in Canada. One company that is preparing to do business is Tennessee-based Hospital Corp. of America, the largest private hospital firm in the world. With 389 hospitals in the United States, 26 hospitals overseas and revenues of $4.2 billion (U.S.) in 1984, the company received approval from the federal Foreign Investment Review Agency last November to engage in hospital management and construction in Canada.

Gregory Brough, vice-president finance and administration in Hospital Corp.'s international division, told *Maclean's* that company executives have already visited government officials in British Columbia, Alberta and Ontario and they plan a second trip this month to meet key hospital personnel. Said Brough: "Within 10 years there will be a crying need for private investment because Canada is not spending enough public money to renovate its hospitals, let alone build new facilities."

Another company that has already made its move to Canada is Pasadena, Calif.-based Beverly Enterprises. Operating 102,000 beds in 906 nursing homes and with 1984 earnings of $46.9 million on revenue of $1.4 billion (U.S.), Beverly is the largest private operator of nursing homes in North America. Last December Beverly bought Toronto-based Bestview Holdings Ltd., which owns or operates 10 nursing and retirement homes in Ontario. Bestview is currently negotiating to build a $60-million combined nursing home and condominium project for the elderly on the grounds of the Ottawa Civic Hospital. And in 1986 Beverly will begin managing a 100-bed nursing home built on the grounds of Central Hospital in downtown Toronto.

So far, there are no Canadian hospital management firms similar to those in the United States. But Canada's largest nursing home operator, Toronto-based Extendicare Health Services Inc., is moving quickly to convince hospitals to let it manage their chronic care facilities. Extendicare has already scored a major success. The company provided $4.2 million of the $5.9-million cost of a new 120-bed chronic care wing, which opened last December at Toronto's Queensway General Hospital. In exchange for the money, Extendicare was granted a 20-year management contract. To operate the wing Extendicare receives from the government $131.24 per patient per day, from which it covers costs, takes its management fee and intends to recover its capital investment. Gary Chatfield, president of Extendicare Hospital Management and Development Ltd.—a subsidiary formed to manage the wing and to pursue contracts—insists that the company "has not created a private, parallel health system at Queensway."

Private companies are also encouraged by the new Conservative government's attitude toward the private sector's interest in health care. Last fall federal Health Minister Jake Epp appointed Bud Sherman, a former Manitoba health minister and now a health care consultant, to conduct a four-month study on ways of increasing the involvement of private companies in health care management and building projects. Said Epp: "We will be suggesting ways the provincial governments can move forward in this area."



Freiler; Chatfield (below): a 'sellout' by default



But hospitals are not likely to embrace the private sector too quickly, experts say, partly because of their traditional conservatism and partly out of fear of losing control of their institutions. Said Jean-Claude Martin, president of the Ottawa-based Canadian Hospital Association: "The trend to privatization is not yet significant, but it poses a significant number of problems." Among those problems, Martin noted, is the charge that private U.S. hospitals favor profitable, technology-intensive treatments, ignoring time-consuming, labor-intensive care that generates less money.

The hesitancy of hospital boards is reflected in the relative lack of success of the U.S. firms currently active in Canada. Despite AMI's glowing record at Hawkesbury, the company has not yet won any other contracts.

CompCare Canada has had its problems too. Operating in Canada since 1982, the company had no revenues until late in 1984, when it landed a contract to operate the Royal Bank of Canada's Access program, a counselling service for employees. Declared Charles Bell, program manager of Wetaskiwin's new Care Unit: "It is not that simple. First, this project must be successful. Then, it is going to take a lot of selling."

With Suzanne Zwarun in Calgary

Fending off a takeover

By Tim Powis and Marc Clark

For 12 years former Ontario treasurer Darcy McKeough was the lightning rod of the provincial cabinet. A dynamic and popular minister, McKeough had a brash, imperious style that made him a formidable opponent prior to his retirement from politics in 1978. But last week McKeough was waging the fight of his life—in the corporate world. As president of Union Gas Ltd., a 74-year-old gas utility based in Chatham, Ont., McKeough was attempting to fend off a $400-million takeover attempt by Unicorp Canada Corp. of Toronto. The three-week-old bid has escalated into a classic battle between Toronto's financial establishment, of which McKeough is a blue-chip member, and an aggressive newcomer—complete with charges of stock manipulation, a newspaper advertising campaign and rumors of a white knight. Last week each side won a round. First, the Ontario Securities Commission (OSC) ruled that the Unicorp bid could proceed. Then the provincial cabinet announced that it had ordered the Ontario Energy Board (OEB) to examine the implications of the proposed takeover for gas rates and service in Ontario.

The takeover battle, launched on Jan. 30, has given small investors a rare glimpse of the white-knuckled competitive world of big-time corporate manoeuvring. Last week as the heads of several large investment firms involved in the battle, including James Pitblado, chairman of Dominion Securities Pitfield (DSP), and Thomas Kierans, president of McLeod, Young, Weir, (MYW), appeared at the OSC hearing, the backroom acrimony spilled into public view. Howard Beck, a lawyer acting for DSP and MYW, said the dispute was "probably the single-most important case to come before the commission" in an acquisition battle.



BRIAN WILLER/MACLEAN'S

McKeough; Leech (below), a bitter corporate struggle and charges of stock manipulation

Union is Ontario's second-largest natural gas utility, serving about 500,000 consumers. Owned by Union Enterprises Ltd. (UEL), a holding company, the utility has $1.5 billion in assets and last year earned $56 million on sales of $1.4 billion. In contrast, Unicorp is a newcomer to Bay Street. Under the leadership of chairman and majority owner George Mann, who founded the firm in 1972, Unicorp's fortunes have soared while its management has earned a reputation for shrewd stock market moves. From 1978 to 1984 the firm's assets have jumped to $480 million from $41 million. When Unicorp announced its bid for UEL, its stock market experience was evident. Even before its formal announcement of a takeover move, Unicorp had managed to accumulate 30.1 per cent of UEL's shares in separate deals from major investors. Said James Leech, Unicorp's 37-year-old president: "When you go into a bid like this, which could be hostile, with 30 per cent, that is a coup." Added McKeough: "They are obviously very clever people."



REDMAN/FRANK/AP/CP

But McKeough and his supporters moved quickly to gather public and shareholder support against the bid. UEL's board of directors urged shareholders through mailings and newspaper advertisements to reject Unicorp's offer, denouncing it as "both unfair and inadequate." McKeough declared that the takeover could result in higher gas bills for consumers, because Unicorp might have to draw cash from Union Gas to pay for the takeover. For his part, Unicorp's Leech commented: "There is no way the OEB is going to allow an increase in rates because of our costs [of financing the takeover]. And they should not."

In an effort to defeat the offer on legal grounds, McKeough sought a hearing before the OSC. There, UEL's lawyers argued that Unicorp had violated a securities law stipulating that anyone considering a takeover must make the same offer to all shareholders. Union and its hired advisers, DSP and MYW, alleged that Unicorp had a takeover in mind when it began buying shares on the open market early in January, before it announced the bid. UEL demanded that Unicorp offer its shareholders $13 per share in cash under the takeover bid, the same amount that it offered for its earlier purchases of the shares.

Unicorp is currently offering UEL shareholders a Unicorp preferred share as well as one half a warrant entitling shareholders to buy a Unicorp common share. McKeough's strategy was to try for a favorable OSC ruling, forcing Unicorp to withdraw its offer because he believed it would not have the $400 million in cash needed to pay for the shares.

At the OSC hearings, UEL's advisers also questioned the value of the securities that Unicorp is offering in exchange for UEL stock. Pointing out that the independent Montreal-based Canadian Bond Rating Service had rated the Unicorp preference shares a "P-4"—its second-lowest rating—the brokerage executives said that Unicorp's new preferred shares will probably not trade at $13—as Unicorp claims—but in the $11-to-$11.50 range. Declared Pitblado: "The Unicorp preferred shares are not investment grade securities."

Pitblado also said that Gordon Capital, a Toronto investment firm acting for Unicorp, had manipulated UEL share prices. He explained that during January, when Gordon was buying 4.5 million shares of UEL for Unicorp, it borrowed about one million of the shares from other dealers—a practice called short selling. After the bid was announced, Gordon then began buying UEL shares to pay back those it had borrowed from. That activity, said Pitblado, "created the impression the market was favorably disposed to the takeover bid."

Unicorp denied that it had helped to manipulate the stock market and it insisted that its initial purchases were not part of a takeover scheme. And at the end of the week the OSC ruled in its favor. The regulatory body declared that the Unicorp bid could proceed on condition that the firm notify all UEL shareholders of Gordon Capital's short selling.

It was McKeough's own corporate strategies that made Union vulnerable to a takeover. Under Ontario law, anyone seeking to buy more than 20 per cent of a utility must first seek cabinet approval—and that approval is rarely given. (The law was passed in 1970 to thwart Toronto-based Consumers' Gas in a similar bid for Union Gas.) But on Jan. 1 Union Gas created UEL to be its parent holding company because in the past, Ontario laws, which restrict the types of investments utilities can make, had stymied attempts by McKeough to diversify Union's holdings. Still, by creating UEL, he had ceded the protection that the gas utility formerly enjoyed from unwanted takeover bids.

McKeough now has two remaining chances to retain control of his company. He confirmed last week that he was involved in discussions with other friendly companies—so-called white knights—to convince them to launch competing bids for UEL and keep it out of Unicorp's hands. As well, the provincial government could pass legislation to block the takeover if the OEB decides that a change in ownership is not in the public interest. If Unicorp is successful, Leech says he will make few changes. But many observers contend that the independent-minded former politician would not stay on under new masters. Said McKeough: "I cross these bridges as I come to them. I am not the key to the success of Union Enterprises."



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The drive for a better picture

Executives at Minolta Camera Co Ltd declared it the most important product in the Osaka-based company's 56-year history. North American retailers described it as "revolutionary." Even Minolta's competitors agreed that it was a major breakthrough in the field. The cause of the excitement was Minolta's latest North American entry in the burgeoning market for "idiot proof" automatic-focus cameras that only require the user to point and shoot Called the Maxxum 7000, the compact 35-mm camera, introduced this month, contains two microprocessors which program film advance, exposure and focus—within one second Like the human eye, the camera detects a blurred image and sharpens it Said Ian Greenberg, vice-president of camera retailers Astral Bellevue Pathé in Montreal: "This is the first revolutionary camera since 1975, when the Canon AE-1 came out—that was the first mass-produced camera to use a lot of electronics"

Less advanced auto-focus cameras have been available since 1978, when the Japanese firms introduced the first models But they had major drawbacks For one thing, many of them were "lens-shutter" cameras, meaning that the user lines up a shot through a separate viewfinder, not the actual lens As a result, thousands of photographers preferred more traditional manual-focus single-lens reflex (SLR) cameras, which permit them to view their subject directly through the lens instead of a separate viewfinder—they wanted to see the exact dimensions of the picture

The Maxxum successfully weds SLR and auto-focus technology As well, it can be fitted with a wide variety of competitively priced lenses Equipped with a standard 50-mm lens, the camera retails for about $400 Of the 12 lenses available, 10 will retail for between $125 and $350; the other two are specialty products which retail for $500 and $2,500 respectively Said Steven Pollock, feature editor of New York-based *Popular Photography* magazine "We have been waiting for this camera type for two years. It will almost certainly be the first in a whole new wave"

Not everyone is convinced that the Maxxum will immediately become a best seller. Said Henry Myers, national marketing manager for Vancouver-based Pentax Canada Inc "Anyone in the industry looks at it as a really fabulous product, but I wonder how it is going to fit into the marketplace" Still, the new camera has given Minolta a technological edge over its competitors According to Lonnie King, a buyer for Black's Cameras in Toronto, Minolta has as much as a two-year jump on the rest of the industry. Added Charles Fleischer, who is president of Toronto-based Yashica Canada Inc and also president of the Canadian Photographic Trade Association "It certainly is going to make all the manufacturers look at their own product line and what their research and development departments are doing as far as products for 1985, 1986 and 1987 are concerned."

Minolta executives say that the Maxxum will hold special appeal for the Baby Boom market. Said James de Merlier, Minolta's U S marketing director "This speaks to the Yuppis of the world He has a VCR, he has a computer What does Mr. Yuppie do now? What is the exciting new product? We think this is it." Ken Tatemichi, product manager for Toronto-based Minolta Canada Inc, says he expects the Maxxum will be Minolta's biggest-selling SLR in Canada this year As a result, the Maxxum could become a potent weapon in Minolta's rivalry with Canon to be the largest seller of SLR and auto-focus cameras in Canada.

—TIM POWIS



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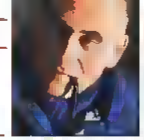
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The fall of Black's Dominion



By Peter C. Newman

The breakup of Dominion Stores, once Canada's pre-eminent food retailer, raises pertinent questions about Conrad Black's willingness and ability to bang in and operate functioning companies instead of merely trading corporate blocks and shucking ventures that no longer meet his high profit expectations.

Black captured ownership of Argus Corp, one of Canada's great capital pools, in a series of meticulously coordinated coups d'états which left him in control of the industrial empire originally built up after the Second World War by E P Taylor and perpetuated by John A (Bud) McDougald "Maybe St. Francis of Assisi was the last living man who wouldn't have liked control of Argus," he quippped in mid-1978, after defeating his many rivals for the prize

Next to Massey-Ferguson, which Black spun off when it got into serious trouble, the largest operating asset of the holding company was the Dominion Stores food chain, then earning $24 million on sales of $2 4 billion By last year sales had dropped to $2.2 billion, and the balance sheet was bleeding at the accelerating rate of $4 million a month.

Dominion had been the leader in number of stores across the country and enjoyed the highest return on sales of any Canadian supermarket chain Over the past six years it has fallen far behind the Loblaws operation run by Galen Weston

The recent sale of Dominion's 93 major stores to the German-owned A&P conglomerate is particularly ironic: it had been a source of great pride to both Taylor and McDougald that they had patriated Dominion from its French owners with a daring takeover bid executed in 1945 At the time, William Horsey, Dominion's president, helped wrestle the plum away from the other bidder, Safeway Stores Inc of Oakland, Calif

During the first two years of Black's ownership, nothing much changed at Dominion, mainly because he was busy consolidating his holdings and trying to disengage himself from the very public Massey-Ferguson brouhaha The agricultural implement company is now more than breaking even Then, in late 1980 Dominion suddenly sold off its 87 Quebec stores (for $100 million) to Provigo, the Montreal-based grocery chain run by Pierre Lessard Out of that flip came Dominion's first reorganization. The staid food company found itself transmogrified into a mining conglomerate When Black's several other holdings, including the Hollinger mining operation, were folded into its purview, that deal delighted Black "Dominion Stores could work for a thousand years selling radishes and tomatoes and never get a deal like this," he boasted at the time.

Three years later Dominion continued its sell-off, with 22 western outlets hitting the block and another 43 stores permanently closed That year Dominion was also fined $80,000 for selling products at higher-than-advertised ticket prices after pleading guilty to 40 counts of improper pricing John Toma, the food-store veteran who had been moved into the president's chair, struggled to turn the company around, bravely declaring that nine out of 10 corporate decisions flowed from him, not from Black



Black, mainly because of the neglect

Yet another major stock shuffle took place in the summer of 1984 Dominion was bumped from its position as holding company to subsidiary of a newly formed paper tiger named Argcen Holdings Inc At the company's 1984 annual meeting one elderly shareholder complained that "the buccaneers have climbed aboard the Dominion Stores ship and, slowly but surely, they are sinking it"

Six months later Toma was abruptly fired while away on a Florida vacation and the dismemberment of Dominion Stores started in earnest

The pattern of Dominion's downward spiral seems to have held true for most of the other companies Black inherited from Taylor and McDougald. A *Financial Times* compilation of the Argus record for the six main companies in the Black stable shows a drop in stock values of 21 per cent during the past five years, compared with dramatic gains for the nine other Canadian capital pools measured

The most telling epitaph for Dominion Stores came from its new owner, Erivan Haub, whose harsh verdict about the management style concluded with this laconic summary "They neglected the chain for quite some time The owners and managers had not concentrated on such details as customers."

What made Conrad Black so unusual and so intriguing was that in the course of his five years as a major figure in Canada's financial world he became a metaphor His name passed into the Canadian language, such as it is, as a generic term That is still true, but the descriptive phrase applied to potential up-and-comers ("He's another Conrad Black") is no longer an accolade.

The Canadian Establishment is a floating crap game Anybody can join. By his dramatic capture of Argus, Conrad Black guarantsed himself a seat at the table of the mighty. But eventually even men and women at this level of achievement and eminence are judged not by who they are, but by what they have done. That, in the end, is the main reason we have no functioning aristocracy in this country Even if privilege and authority are unevenly divided, those who want to wield real power must earn it

Conrad Black has created nothing In his 40th year, he finds himself comfortable and rich, but surrounded by a rising chorus of voices questioning his future course and asking why he refuses to fulfil the potential for corporate greatness he once inspired among his peers

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A bitter 'silent scream'

The black-and-white pictures on the videotape monitor are snowy and blurred But the accompanying narrative by Dr Bernard Nathanson, a New York obstetrician, tells viewers what to decipher in the hazy ultrasound images from inside the womb. The charged language comes from a onetime proponent of legalized abortions who changed sides 10 years ago. Says Nathanson "Now, for the first time, we are going to watch a child being torn apart, dismembered, disarticulated, crushed and destroyed by the unfeeling steel instruments of the abortionist." The film, entitled *The Silent Scream*, is only 28 minutes long, but its record of a suction abortion being performed on a 12-week-old fetus has become a controversial issue—and the newest weapon—in the increasingly bitter debate over abortion.

Since the film's release two months ago its producer, American Portrait Films of Anaheim, Calif., has sold 3,000 prints at $400 per copy Prolife advocates have sent *The Silent Scream* to all 535 members of Congress, nine Supreme Court judges and President Ronald Reagan, who received a gold-plated copy at a White House screening last week Reagan has endorsed *The Silent Scream*'s message—giving the prolife movement a major publicity advantage Said Reagan "If every member of Congress could see that film they would move quickly to end the tragedy of abortion." Indeed, opponents of abortion now argue that they have the initiative in the debate and that, with 70,000 supporters turning out for a protest march in Washington on Jan 22, support for the prolife position is growing significantly



MOYER/GAMMA LIAISON

Nathanson: a proponent

The film, which purports to show a fetus uttering the "silent scream" of the title during a suction abortion, is a powerful piece of propaganda And Senator Gordon Humphrey (R-N H.), for one, has called it "the *Uncle Tom's Cabin* of the right-to-life movement," comparing it to the 1852 novel by Harriet Beecher Stowe which convinced many Americans that slavery was immoral. Dr. Hart Peterson, head of pediatric neurology at the Cornell Medical Center, New York, has dismissed the film's central thesis—that a 12-week-old fetus could feel pain—as inaccurate and absurd, but that criticism has not slowed demand for *The Silent Scream*.

As a result, leaders of the prochoice National Organization of Women (NOW) met in Washington early this month to draft a media campaign against the film, featuring testimonials from women who have had abortions and documentation of the horrors of illegal abortions NOW vice-president Mary Jean Collins said the prolifers "are focusing on the fetus as a human being But the fetus does not exist in a jar or a vacuum It is time to put the plight of the woman back into the picture." Added Collins "The antichoice people are trying a new emotional appeal that is forcing us to rethink our point of view The debate has become much more inflammatory."

A 1973 U S Supreme Court decision allowed women to obtain abortions at hospitals and at clinics not affiliated with hospitals, but some prolife advocates have never accepted that ruling, and the struggle has become increasingly violent Since May, 1982, bombs have exploded at 30 abortion clinics across the United States—25 explosions in the past 12 months alone As well, agents from the Bureau of Alcohol, Tobacco and Firearms have charged three Maryland men with 10 bombings at Washington-area clinics, but the bomb threats continue Officials at one clinic in Brockton, Mass., announced that it would perform no more abortions because of the hate mail, harassment and bomb threats directed against its patients Said a clinic spokesman "Fear is a great persuader."

As a result, despite a recent *Washington Post*-ABC TV poll showing that 52 per cent of Americans still favor the right to an abortion, prochoice advocates believe they are losing ground in a controversy that does not have a solution satisfactory to both sides Declared Frances Kissling, director of Catholics for a Free Choice "What you see in the abortion struggle is two sets of values, two different world views that are colliding at this time."

—MARCI MACDONALD *in Washington.*

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OBITUARY

Marian Engel's world

Canadian literature lost a vital, courageous figure with the death of Marian Engel last week. Author of seven novels, including the controversial *Bear*, winner of the 1976 Governor General's Award, Engel died of cancer at the age of 51 in Toronto. An advocate of both feminist and literary causes, she was also the first chairperson of the Writers' Union of Canada. Engel described the central issue in her work as "how you deal with an imperfect world when you have been brought up to look for perfection." Her exploration of that theme in acute, lyrical prose embodied what writer Timothy Findley called "guts with grace."

Engel's art mirrored the turmoil of her private life. Born in Toronto, she moved frequently because her father, an auto mechanics teacher, worked at various jobs throughout southern Ontario. Engel once said, "I write because I have always written." At the age of nine she won a church contest with an essay on the effects of drinking on the liver. After university degrees in French, German and Canadian literature, she travelled to France and Cyprus in the early 1960s with her husband at the time, novelist and radio producer Howard Engel.

But the following decade brought a broken marriage and the trials of finding time to write while raising twins. In her novels, from *The Honeyman Festival* (1970) to *Lunatic Villas* (1981), she evolved a wry, poignant perspective which often belied a deep despair. Two of her later books offered possible avenues of escape. In *Bear*, a woman experiences sexual healing through her romantic attachment to a tame bear. And in *The Glassy Sea* (1978), Engel suggested that social engagement, even within the confines of a nunnery, is preferable to spiritual isolation.



Engel 'guts with grace'

Critic George Woodcock, who praised Engel's "excellent simplicity and perfect pitch," said her work typified a sharper focus in Canadian fiction on stylistic concerns. Added Woodcock: "She had an instinct for prose written in a harmonious way. In the end, we will see her contribution as the greatest exponent of the well-made novel." As well, such female writers as Alice Munro admired Engel's ability to recreate women's perceptions. Said Munro: "She gave me the feeling that I hadn't quite understood what was possible." But frequent criticism in her novels of male inadequacy in relationships made Engel a controversial figure. As she said, "I have got myself a reputation for being mouthy."

Engel constantly sought practical ways to improve working conditions for writers. A driving force in founding the Writers' Union, she championed pensions for writers and royalties from library loans of their books. Her own stopgap solution to financial worries last year was to sell her papers to an archive. Still, despite the inevitable imperfection of her life, she did achieve in her art much of the perfection which she struggled towards—and so richly deserved.

—MARK CZARNECKI

FILMS

An eye for magic realism

Phillip Borsos had been standing around in a blizzard all morning. Wet snow had soaked through his parka. His crew was complaining, impatient for lunch. Repeatedly, an actress was performing a scene in which she would step out through the back doorway of a bungalow and heave a bag of garbage into a trash can. On location in a Toronto suburb last week, Borsos (*The Grey Fox*, *The Mean Season*) was directing his third feature, a $10-million fantasy, *Father Christmas*. After helpfully hoisting the garbage back into the house to prepare for one more snow-blown take, he reflected on the absurdity of his profession. "You always dream of these kinds of days so you can get the real thing happening, and then when you get it you don't want to be here."

Capturing "the real thing" is important to Borsos. At 31, he has parlayed his ability to craft exquisite images into a career as Canada's most successful young film-maker. And he has done so despite daunting battles with the banks, the elements and the studio system. Financial crises plagued the production of Borsos's first feature, *The Grey Fox*, from start to finish and left him with more than $125,000 in debts. Shot in 1980, the film was not released until 1983, although the award-winning film gained international acclaim, it has not made a profit. Borsos's contract to direct *The Mean Season* finally cleared his debts, but while he was filming it in Miami last summer the sultry weather—a symbol of psychological tension in the film—prematurely ripened into torrential rains during the second week of shooting. Meanwhile, his struggle for creative control with the film's Hollywood producer, David Foster, frequently darkened the mood on the set. Borsos, who calls himself "a perfectionist to a certain degree," has learned that a successful director must become a master of uncontrollable circumstances.



Borsos: inspired image-making

He acquired a 16-mm Bolex movie camera when he was a Grade 11 student in Maple Ridge, B.C.—a gift from his Hungarian-born father, Joseph, a sculptor. Dreaming of making features, Phillip apprenticed himself to Alpha Cine Service, a Vancouver film laboratory, processing the movies of such leading directors as Robert Altman and Terrence Malick. His career began in earnest when he started making documentary shorts during the late 1970s. *Nails*, which he produced with the National Film Board, was simply a study of the

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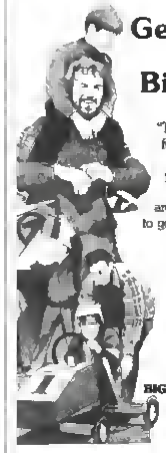
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manufacture of nails, it received an Academy Award nomination in 1979. His breakthrough came with *The Grey Fox*, which won seven Genie Awards, including best picture and best director, and prompted *The New Yorker*'s movie critic, Pauline Kael, to describe Borsos as "an inspired image-maker." British cinematographer Frank Tidy is an integral part of the image-making. Collaborating with Borsos on all his feature works so far, Tidy has helped create the look of magic realism that has become the director's signature.

After *Fox* brought Borsos a growing cult status in the U.S. film industry, he began looking for a Hollywood film property in 1983. He turned down tentative offers to direct two films with *Rocky* star Sylvester Stallone because he favored a more realistic treatment of character than Stallone was willing to accept. Finally, he took on *The Mean Season*, a film version of a novel by John Katzenbach, a former Miami *Herald* crime reporter. Striving for authenticity, Borsos used professional police and TV news crews instead of actors.

Remarkably, the director of such a hard-edged thriller has a reputation for being sensitive. Borsos told *Maclean's*: "I feel very strongly about people killing each other. I find it very distasteful. Call me right-wing if you like, but I think they should all be . . ." He admitted that he stopped short of saying "shot." *Mean Season* star Mariel Hemingway has also commented on his gentleness. "He is open to actors' ideas. But he always knows what he wants." Still, Borsos's diplomatic manner does not always get him what he wants. He acknowledges that he resented the constant presence of the producer, Foster, on *The Mean Season*'s set. Still, although studio management made the final cut of the film, Borsos says he is generally happy with the result.

Now eager to establish himself with what he calls "the well-oiled Hollywood system," Borsos has brought that system to home turf with *Father Christmas*, jointly financed by Walt Disney Productions and Téléfilm Canada. Although its stars (Harry Dean Stanton and Mary Steenburgen) are American, the location and crew are Canadian, as are many of the actors and the Toronto-based producer, Peter O'Brian, who was also responsible for *The Grey Fox*. But Borsos, who now lives in Marin County, Calif., does not plan to restrict his filmmaking to Canadian soil. Said Borsos: "Films should be made where what they're about exists." His ambition is to make everything from musicals to science fiction. "They don't have to be morbidistic. They just have to say something positive." It is on such ambitions that the Hollywood dream was built.

—BRIAN D. JOHNSON



Hemingway, Russell: reaching for the conscience as much as for the jugular

The murderous lure of fame

THE MEAN SEASON
Directed by Phillip Borsos

The serial killer in *The Mean Season*—a brilliant thriller framing a complex moral tale—exerts an eerie fascination on the audience. For more than half the film the viewer does not see his face, only the back of his head as he places his telephone calls to reporter Malcolm Anderson (Kurt Russell) and gives him the details of his latest atrocities. The killer (Richard Jordan), who speaks in a rational, almost friendly voice, has chosen Anderson as a perverse partner in crime: he tells Anderson where the bodies are, Anderson beats the rest of the reporters, and the killer believes that Anderson is making him a star. But the tables turn. Anderson himself becomes the bigger celebrity, and the killer, who regarded the reporter as a friend, turns his rage onto Anderson's girlfriend, Christine (Mariel Hemingway).

Based in part on the experiences of a Miami crime reporter, *The Mean Season* has a richly textured surface which combines documentary realism with a dark-hued thriller style. Director Phillip Borsos displays a spellbinding talent for building suspense. Helped by Leon Piedmont's tight, multilayered script, Borsos has made a movie that reaches as much for the conscience as it does for the jugular. He succeeds in making the audience come to know the killer's warped psychology so well that it too becomes as intrigued as Anderson is.

The Mean Season also explores the appeal of tabloid journalism and the love-hate relationship that both newspaper readers and movie audiences have with the disgusting and the terrifying. At the same time, the film raises the question of whether journalism can sometimes create news simply in the act of reporting it. As a horrified Christine says, "It's turned into a collaboration."

Anderson, burnt out and on the verge of leaving the paper and moving to Colorado with Christine, cannot pass up this one final assignment. When the killer makes him his ally—because he likes the way Anderson writes—the reporter feels flattered. As well, he is driven by one last chance for fame. Both the reporter and the killer have two things in common—the need for recognition and, disturbingly, each other. The killer, angry and feeling betrayed, tells the reporter, "You're getting more important than me"—and then kidnaps Christine.

Although superficially a living cliché of the reporter, rumpled and unshaven, Russell subtly reveals the warring emotions behind the newspaperman's moral dilemma. The performance is restrained and internalized, drawing the viewer past the man's facade. And as the killer, Jordan is phenomenally effective: he creates character through voice alone for much of the film. When the audience finally does see him, he changes his baby-faced features from the childlike to the psychotic in an instant, and—in a transformation that is the most unsettling aspect of the film—the audience ultimately feels strangely sympathetic toward him. During the plot's final, stunning reversals Borsos leads right into the core of a nightmare. In *The Mean Season* he has made a movie without mercy.

—LAWRENCE O'TOOLE



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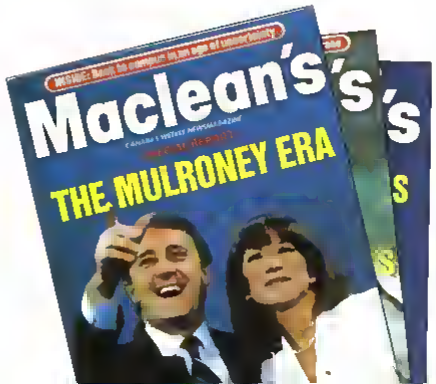
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MUSIC

The ambitions of a relentless rocker

By Anthony Wilson-Smith

In 1979, when Corey Hart was a 17-year-old high school student in Montreal, he picked up a copy of the American magazine *Billboard*, the music industry's bible, and saw an advertisement for the World Music Festival in Japan. Because the ad stipulated that entrants should be "experienced" and have a recording contract, and because Hart did not qualify on either count, he says he decided to "fake up my entry a bit and ship it along with a tape." The Japanese accepted the submission and Hart, along with Toronto's Dan Hill, appeared as Canada's representative in front of 10,000 Japanese spectators and a nationwide television audience of several million. Hart did not win the competition, but, he told *Maclean's*, the experience convinced him that "I had the necessary qualities to make it in the music business."



Hart: teen idol with a Grammy nomination and a drive to succeed

Five years later Hart has clearly proven that he has the self-confidence and the ability to get where he wants to go. His debut album, *First Offense*, which features four Top 40 releases including his trademark singls, *Sunglasses at Night*, has sold more than a million copies worldwide and earned Hart a nomination as Best New Artist at this week's 1984 Grammy Awards in Los Angeles. The album's success, coupled with two widely played videos showcasing Hart's teen-idol good looks, has established him, after Vancouver's Bryan Adams, as Canada's most recognizable rock star. One sign of his popularity: Hart attracted far more attention from fans than such perennial Canadian stars as Burton Cummings, Neil Young and Rush's Geddy Lee when he arrived in Toronto last week to tape the Ethiopian-aid single *Tears Are Not Enough*.

Hart's success is all the more remarkable because of his background. He spent six of his first 10 years in Spain and Mexico with his father, Robert, a land developer. When he returned to Montreal, said Hart, "I found the culture shock so difficult that I became a loner, and I still am." As a partial escape he began listening to the radio and singing along. Then, when he was 11, his sister Donna, a professional figure skater, introduced him to superstar Paul Anka. Anka, said Hart, "showed me things like the importance of arranging and presenting music properly."

Those lessons served Hart well when he began writing and taping his own music. After the trip to Japan, he started to haunt record company offices in Montreal, Toronto and New York, aided by introductions from a friend, singer Lisa Dalbello. When he signed with Montreal-based Aquarius Records in 1982, head of promotion Keith Brown recalled, "it was less a case of us picking him than him picking us. We knew from the demo [tape] and from looking at him that we had a real good one."

In fact, Hart's determination to set his own musical course quickly became apparent when he began recording *First Offense* in England in 1983. He repeatedly pushed for a greater production role and, in his haste to create a distinctive vocal style, added a West Indian intonation to some of his vocals, which led studio hands to nicknam him "Corey Belafonte." Last summer, when the U.S. MTV network added the *Sunglasses* video, with its Orwellian vision of society, to its regular playlist, album sales took off. Hart suddenly found that "overnight, I went from being an anonymous face to somebody people stopped in airports."

That popularity is the product of Hart's own dedication and carefully tailored image. Hart, who said he has "absolutely no time for smoke, drink or drugs," routinely works 12 hours a day. Like lead singer Sting of The Police, the man whose film-and-music career Hart most wants to emulate, he takes a direct hand in anything involving his image. For his new album, which he is now recording at Le Studio in Morin Heights, north of Montreal, Hart wrote all the songs and is co-producing along with *First Offense* producers Philip Chapman and Jon Astley.

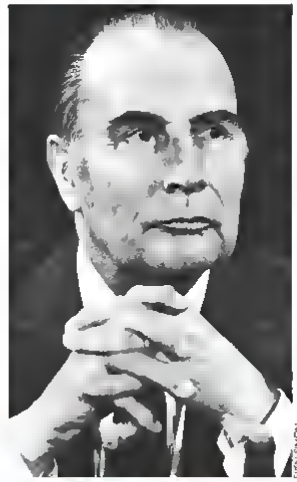
In fact, Hart's fierce drive to succeed has already led to fears that he may collapse from overwork and overexposure. As well, his management worries that he may become too identified as a teen idol, dependent on an audience that is notoriously fickle. That is one of the reasons his managers were eager for him to tour last December with singers Daryl Hall and John Oates, whose blue-eyed soul appeals to a mid-30s following, after Hart's three-month tour with heartthrob Rick Springfield last fall.

Now, Hart is planning his next steps. The new album is scheduled for April release and there have been several discussions about feature films. But Hart says his immediate goal is to headline a tour to "put my days as an opening act behind me, and become the main attraction. When that happens, I will know I have really arrived." For Corey Hart, the best route to success will likely always be in the fastest lane.

MEDIA

Ending the TV monopoly

In 1962 French President Charles de Gaulle clearly indicated the importance that he attached to television reporting. He asked President John F. Kennedy, "How can you rule the country if you do not control television?" Indeed, the state's iron monopoly over French broadcasting has traditionally resulted in a strong pro-government bias in the country's TV news. But last month President François Mitterrand announced that his government was ready to make room for private, commercial stations for the first time in the 40-year history of French TV. Critics of the state's stranglehold on broadcasting have hailed the president's move as the welcome precursor to a wider and more balanced selection of news.



Mitterrand gambling on private TV

At present, French viewers have a choice between three state-run national channels and one government-controlled pay TV network. Observers say that Mitterrand, who legalized private radio in 1982, wants commercial TV to be confined mainly to local stations offering primarily cultural and educational shows. But according to recent polls, that is precisely the kind of programming that France's TV audiences currently find unappealing. They have traditionally sought more films and sports broadcasts, something that competitive TV stations will have to deliver. France's Higher Communication Authority—a government watchdog body that upholds broadcasting standards—predicts that by the summer as many as 80 local stations could be fighting for audiences and advertising revenue.

But many experts doubt that local stations will earn enough advertising revenue to stay on the air. Said Erik Lambert, head of a Paris audiovisual studio: "Private television in France cannot survive economically so it simply will not exist. What is more likely are national commercial stations to which local stations would be affiliated." Indeed, some media giants—including Europe No. 1, a powerful French-controlled West German-based radio station, and Havas, France's leading advertising agency—are reportedly already lining up to apply for nationwide licences. Right-wing press magnate Robert Hersant, whose publishing group owns *Le Figaro* and other newspapers, has also announced his firm intention of applying for a licence. That prospect concerns the French left, which fears that Hersant could use TV as a potent antigovernment forum during the run-up to next year's elections.

Mitterrand might encounter a similar experience to that of Italy, which deregulated television in 1976. That move led to 400 stations, many of them crowding the airwaves with tasteless commercials and such dubious delights as pornography and amateur striptease. Although some French critics of private TV have already expressed their concern that France might follow in Italian footsteps, the government is determined to avert that. Declared Jean-Denis Bredin, a Paris lawyer appointed by Mitterrand to help draw up regulations for commercial TV in France: "Italy provides the shining example of what not to inflict on the French."

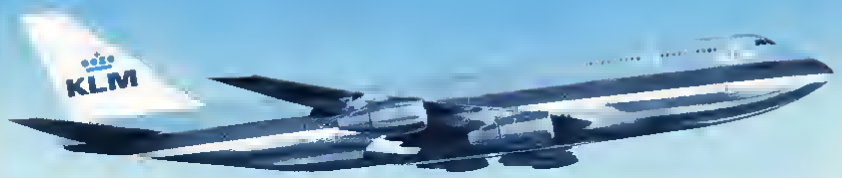
Despite the risks, Mitterrand is gambling that commercial TV will work in his favor. One obvious benefit will be the thousands of new jobs that will be created. As well, giving French viewers some relief from what many consider to be the most boring TV programs in Western Europe could help to reverse his recent bad showing in opinion polls. Still, in a country in which TV has always been a useful political tool—at one time the government maintained direct telephone lines to TV news editors—many proponents of private TV say they hope that the gamble will signal the final demise of France's 40-year tradition of biased broadcasting.

—PETER LEWIS *in Brussels.*



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ENVIRONMENT

The costs of co-operation

Code-named "Hurricane," the nuclear explosion lit up the sky over the remote Monte Bello Islands off the western coast of Australia on Oct. 3, 1952. The 25-kiloton blast underlined Britain's determination to develop its own nuclear weapons—and Australia's willingness to help. Britain exploded 11 more large atomic devices on Australian territory before signing the nuclear test ban treaty in 1963, but an agreement that once saw the two countries working together is now causing friction between them. The reason: there is growing proof that the British needlessly exposed Australian servicemen, civilians and aborigines to radioactive contamination.

For one thing, the British ministry of defence admitted last March that it placed 260 servicemen eight kilometres from the bomb blast during a 1956 experiment in order to give them "experience." They survived, but one—John Burke, a former technician in the Royal Australian Air Force—said shortly before he died of stomach cancer last May that he had been present at secret atomic tests in 1963 which resulted in the accidental deaths of four aborigines. But the British government dismissed his charge, denying that the bombs had killed anyone.

Still, those disclosures have fuelled the anger of a coalition of Australian veterans' organizations, whose members point to unusually high cancer rates among 15,000 servicemen who had been near the test sites. In response, Prime Minister Robert Hawke's Labor administration formed a royal commission last July, and for the past six weeks its three members have been seeking information in London. But the British have been slow to declassify potentially embarrassing reports, including one document which the commissioners recently obtained that says that on Oct. 15, 1953, a 25-kiloton device was detonated on a day when there were no crosswinds to disperse the radioactive particles.

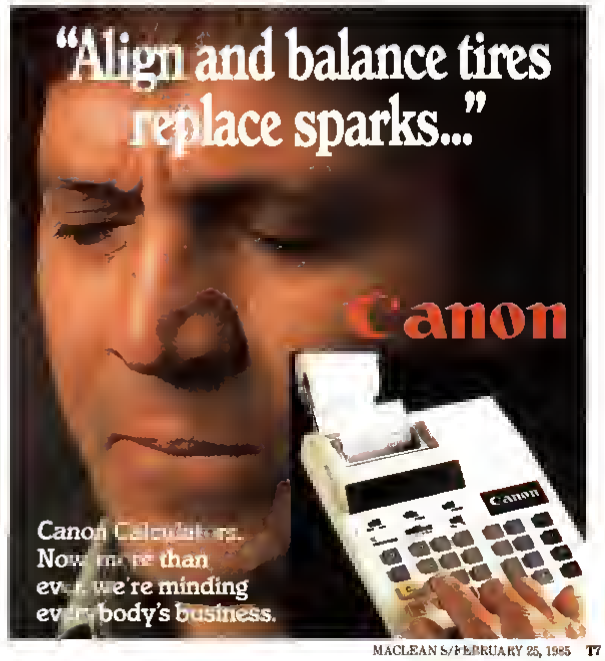
Three months before the commissioners examined the technical report describing that blast, Ellen Giles, an elderly housewife from the isolated village of Welbourn Hill, 160 km from the test site, recalled the occasion before the investigators. Within hours of the test, she said, a "black mist" had fallen on the area. She was indoors at the time and suffered no ill effects from the strange, greasy particles. But, said Giles, there were reports that the unidentified mist had caused sickness and death among aborigines living nearby. Commission chairman James McClelland says he hopes that the British documents will provide answers to some questions about the tests. Declared McClelland: "It is like mining for gold."

The commission is scheduled to present its findings in June to a government that has little to fear from the report. Labor politicians were in opposition when the former Liberal government authorized the tests over their strenuous objections. And they were still in opposition in September, 1980, and October, 1982, when the Liberals commissioned two inquiries on the tests. Those reports concluded that the nuclear explosions had not exposed nearby armed forces personnel to significant health hazards. Still, after taking office in 1983 Hawke paved the way for his own commission, dismissing the earlier inquiries as nothing more than whitewashes.

No matter how the latest report apportions blame, Australia has only begun to grapple with the consequences of the tests. Ex-servicemen, suffering from cancer which they say was caused by exposure to radiation, are demanding compensation. And a huge expanse of the outback which the aborigines claim as part of their ancestral lands is still contaminated—a menacing reminder of the costs of co-operation in a nuclear age. —NANCY DURHAM *in London.*



Nuclear explosion, anger over tests



Sacrificing the muse

A SENSE OF WONDER
Van Morrison
(PolyGram)

A mystical master of Gaelic rhythm and blues, Van Morrison has for more than 20 years served up musical puzzles to which he has offered no answers. But on *A Sense of Wonder*, his first album since Warner Brothers, his longtime label, reportedly dropped him, the Irish-born singer has stopped asking questions altogether. The result is lacklustre music with none of Morrison's usual gut-wrenching soul. On the title track Morrison contemplates nature's beauty; with *Ancient of Days* and *The Master's Eyes* he thanks the Creator for His generous ways, on the dirgelike *Let the Slave* he delivers the 18th-century visionary poet William Blake's *The Price of Experience* in rapid monotone. Only on two moving instrumentals and the opening *Tore Down à la Rimbaud* do his creative juices flow. Once a Celtic soul-singing poet who sang of gypsies, despair and spiritual quests, Van Morrison seems now to have found his peace, but in the process he has lost his muse.

VISIBLE
Cano
(Ready/WEA)

Cano, the Franco-Ontarian group from Sudbury, has changed the focus of its music and language—from folk to rock and French to English—so many times that even the group's closest fans have become bewildered. Now, Cano has issued an all-French album, *Visible*, but the chaos has taken its toll, and the quality of the material is uneven. *Pauline* begins as a touching ballad about two lovers separated by war, but a cheerily sung chorus soon shatters the tragic mood. The title song offers more mood shifts than most complete albums, but the track's inventiveness strays. Still, in *Fond d'une bouteille* (Bottom of the bottle) an alcoholic's desperation provides some dramatic imagery, and *J'ai bien vécu* (I lived well) shines with Michael Kendel's fluid piano style and Marcel Aymar's lilting vocals. Such rewards do not make up for the artistic momentum Cano has lost over the years.

HOW WILL THE WOLF SURVIVE?
Los Lobos
(Slash/WEA)

Like a ballroom orchestra high on amphetamines, the Los Angeles-based Chicano band Los Lobos conjures up contradictory, even comic images when it is performing its frantic *norteño* music—an infectious hybrid of Mexican dance and German polka styles. *How Will the Wolf Survive?*, the quintet's refreshing debut album, opens with blistering rockabilly, and Cesar Rosas' gravelly vocals on *Don't Worry, Baby*, and switches to a sweet country ballad in *A Matter of Time*. On the carnival romp of *Corrida #1*, David Hidalgo's speedy manipulation of his button accordian produces a euphoric, yodelling effect. Add some full-blooded rock 'n' roll in the style of Bo Diddley, one traditional Mexican party number, *Serenata Norteña*, and the musical mosaic is complete. With its energy and stylistic cross-breeding, Los Lobos (The Wolves) run no immediate risk of becoming an endangered species.

—NICHOLAS JENNINGS



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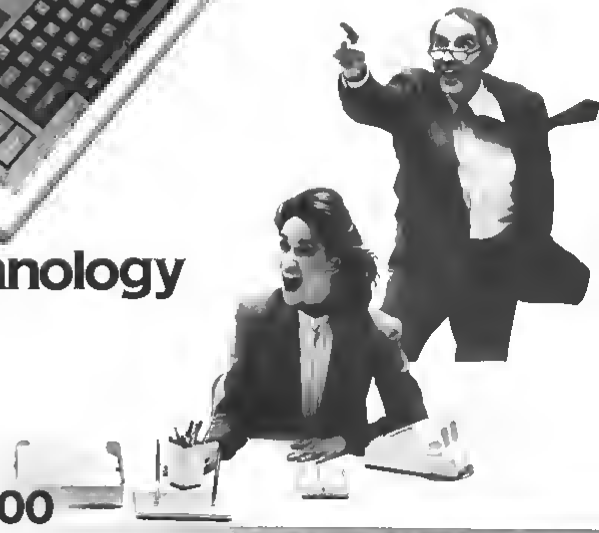
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Amoco Cadiz: open-registry countries have few regulations, and ships sailing under their flags have suffered high accident rates

TRANSPORTATION

The attacks on flags of convenience

By Paul McGrath

In 1978 the tanker Amoco Cadiz went aground off the coast of France, spilling 260,000 tons of crude oil into the Atlantic Ocean. But the task of assigning blame for the accident was complicated by the ship's byzantine ownership structure. The reason: Amoco Transport company, which owned the Cadiz, had registered the vessel in the West African country of Liberia. It had its headquarters in Bermuda and operated under orders from Chicago-based Standard Oil Co. (Indiana). As a result, it took six years before a U.S. court fined Indiana Standard and two subsidiaries for running a poorly maintained, poorly staffed ship. A separate trial will determine the amount of damages.

The breakup of the Cadiz highlighted inadequacies in the control of ships operating out of so-called "open registry" countries. Altogether, ships representing 29 per cent of global cargo capacity are registered in such countries as Liberia, Cyprus, Panama, Bermuda and the Bahamas. In return, the licensing countries and colonies offer foreign companies freedom from regulations on management, crewing or safety of the vessels flying their colors. And ships sailing under flags of convenience have high accident rates. Still, even though their coastlines are vulnerable to spills from poorly maintained ships, the world's major developed nations, including Canada, the United States and Britain, are resisting a determined attack on the open-registry system.

In an attempt to win lucrative ship registrations for their governments, a loose assembly of more than 120 nations, known as the Group of 77—the size of its original membership—is opposing the present system. They are presenting their case this month to the UN Conference on Conditions for Registration of Ships in Geneva.

Safety and crew competence are two of the main issues at Geneva this month. At the same time, maritime nations, such as Sri Lanka and Nigeria, are seeking tighter residency requirements for all aspects of shipping operations to eliminate some of the main attractions of open-registry countries. One of those advantages is found in Liberia, where the registration fee is the only local investment made by companies using that country's flag. There are no laws requiring them to establish offices or hire local crews.

To strengthen their argument for tougher regulations, the Group of 77 points to the safety record of ships sailing under flags of convenience. Between 1975 and 1983, 14 of every 1,000 ships under Cypriot colors were lost at sea, compared to a global average of four wrecks per 1,000. And although open-registry shippers save money by paying below union rates, seamen's unions argue that the money saved is a false economy. Declared Richard Thomasson, vice-president of the Great Lakes division of the Seafarer's International Union: "The crews are generally underfed, working under unsafe conditions and not up to our standards."

Still, spokesmen for developed nations say that they want safety standards improved but are unwilling to abandon the system because of its convenience and flexibility. Declared Grant Manery, acting director of shipping policy for the federal department of transport: "We could not accept anything at this conference that would restrict our access to flexible, economical shipping."

Even if the Group of 77 succeeds in dismantling the open-registry system, many analysts doubt there would be a shift to countries that now have no presence in the world shipping industry. Said one U.S. official: "The Group of 77 is under the impression that if ships cannot register in Liberia or Panama, then somehow they will migrate to Africa or Asia. This is an extremely unrealistic assumption."

For their part, the developed nations have indicated their willingness to meet Third World demands for increased accountability for accidents and losses. Said Graham Lochhead, head of the Canadian delegation: "What we would like is an agreement on the establishment of an accountable corporation [for each ship], a legal entity that we can go after when something bad happens on our coastline." Although such an agreement would fail to remove unsafe ships such as the Amoco Cadiz from the seas, it would at least ensure that their owners paid for all the consequences of their cost-cutting business practices. ✪



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CRIME

A coroner under fire

Is there justice after death? New York City's legal community has been grappling with that question since *The New York Times* published an exhaustive series on Dr. Elliot Gross, the city's chief medical examiner, Jan. 27 to 30. The four-part report charged Gross with running an office in disarray and, more seriously, with soft-pedalling cases of alleged police brutality. One such case involved Michael Stewart, a 25-year-old black art student who died in police custody in September, 1983, after transit police arrested him for scrawling graffiti in the subway. A second was that of Eleanor Bumpurs, an emotionally disturbed 66-year-old black woman. Police fired shotgun blasts that killed her last October as she resisted eviction from her $98.65-a-month apartment in a Bronx public housing project.

The *Times* articles alleged that Gross's preliminary autopsy report on Stewart attributed his death, after a 13-day coma while in police custody, simply to "cardiac arrest," ignoring extensive bruises on his body and evidence of hemorrhages. In the Bumpurs case, the *Times* charged that Gross instructed the doctor performing the autopsy to change the wording of his report, allowing for the interpretation that Bumpurs was killed by a single shotgun blast. The newspaper noted that Bumpurs's family has made allegations that the police wounded her with one shot and then killed her, while she lay immobile, with a second blast. Following the *Times* stories, New York Mayor Edward Koch appointed a special counsel with full subpoena powers to investigate the issue and New York state Gov. Mario Cuomo also ordered an inquiry.

For his part, Gross held a 90-minute news conference on Feb. 3 to refute the newspaper's allegations. But the controversy has already left scars. A Bronx grand jury has indicted officer Stephen Sullivan, a 19-year veteran of the New York City police force, for second-degree manslaughter in connection with Bumpurs's death, a move that has provoked his 252 colleagues in the elite emergency service unit to request transfer. And blacks in the city are still bitter about Bumpurs's death. As a result, already strained relations between the police and blacks will likely deteriorate even further if the results of the investigations substantiate the allegations.

—LENNY GLYNN *in New York.*

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A chronicle of a master poet's life

T S ELIOT: A LIFE
By Peter Ackroyd
(Musson, 400 pages, $24.95)

How unpleasant to meet Mr. Eliot!/With his features of clerical cut,/And his brow so grim,/And his mouth so prim ... Few writers as eminent as T S Eliot (1888-1965), who penned those lines, have had such a gift for self-deprecating wit. Eliot knew how wide was the gulf between his inner self, tormented by loneliness and guilt, and the public man who helped create modern poetry, revive poetic theatre and define the culture of his age with trenchant essays and criticism. Wanting that gulf to remain a secret, Eliot asked that no biography of him should appear after his death. His widow, Valerie, has followed his wish. Although the poet died 20 years ago, the author of *T.S. Eliot: A Life*, British novelist and critic Peter Ackroyd, was unable to quote from Eliot's letters or unpublished poems, or to interview Valerie.

Despite those handicaps, Ackroyd has succeeded in producing a fair and thorough biography of an elusive man. His cool, knowing prose suggests that while it was usually pleasant to meet T S Eliot, it was often terrible to *be* him. The unhappiness began in Eliot's hometown of St. Louis, Mo., a bustling mercantile city where the boy felt out of place. His father, a thwarted artist, was president of a brick-making company. Eliot returned to the New England of his ancestors, studying philosophy at Harvard, then he continued academic work in Paris and Oxford. He remained in Britain for the rest of his life. Like his friend and editor Ezra Pound, Eliot had been in search of a culture with authentic traditions, and—to the annoyance of many Americans—he turned his back on the United States. His famous description of himself as an Anglo-Catholic, a royalist and a classicist shows how far he had come from the Mississippi River of his youth.

Eliot finally shook off his American background when he chose to live in London and marry an upper-class English woman, Vivien Haigh-Wood. To earn a living he became a successful banker before joining the publishing firm of Faber & Faber. But his marriage was a disaster. The couple were emotionally and sexually incompatible, and their 17 years of life together produced a succession of crises and breakdowns. Eliot's great poem *The Waste Land* emerged directly out of a nervous collapse, but Vivien suffered even more.



Eliot: a man who was pleasant to meet, but terrible to be

Although she contributed some excellent lines to *The Waste Land*, she failed as a writer, nor could she give Eliot the confidence and tranquillity he needed. Fed by his apparent indifference, her neuroses multiplied. In the end he treated her with astonishing cruelty, deserting her without a word of explanation, comfort or farewell. Confined by her family to a mental hospital, she died alone in 1947.

After Eliot left his wife, he retreated into a solitude alleviated by his fondness for cats, church, alcohol and long games of solitaire. The poet W.H. Auden once found Eliot engrossed in his cards and asked what the attraction was. "Well," Eliot replied, "I suppose it's the nearest thing to being dead."

Out of his private quest to find meaning before the grave came his magisterial *Four Quartets* (1935-1942), in which Eliot became a kind of spokesman for British civilization under wartime siege. The desire to reach a wide audience led him to experiment with drama, and in such plays as *The Family Reunion* and *The Cocktail Party* his odd mixture of drawing-room comedy and religious anguish proved surprisingly popular. At Faber & Faber he encountered a young secretary, Valerie Fletcher, who had become obsessed with his poetry at school and had moved to London in an attempt to meet him. In a gesture that shocked even Eliot's closest friends, he married her in 1957. She was 30; he was 68.

Many years before his second marriage, Eliot had looked forward to the *Long hoped for calm, the autumnal serenity/And the wisdom of age*. He found something more, for which this deeply reserved man had not even dared to hope: joy. In his last few years, physical pain mattered little to Eliot, finally he was happy and for the first time he wrote almost nothing. On his deathbed his last word was his wife's name. That belated happiness throws a hard, cool light over Eliot's earlier career. Like the recent biographers of such other 20th-century poets as Auden and Robert Lowell, Ackroyd implicitly asks, "Was the poetry worth all the pain?"

His answer is equivocal. For Ackroyd, Eliot's writing "represents the brilliant efflorescence of a dying culture, he pushed that culture together by an act of will, giving it a shape and context which sprang out of his own obsessions." Eliot now belongs to literary history as surely as Milton and Chaucer. But Ackroyd does not do full justice to the daring and vitality of Eliot's work. The best of his poems speak to the confused, war-fearing modern generation as powerfully as they did half a century ago. No one who reads *T.S. Eliot: A Life* can escape a feeling of dismay at the human cost of the writing, yet by downplaying the continuing relevance of Eliot's work, even so deft a writer as Peter Ackroyd sometimes gives gossip a higher priority than art.

—MARK ABLEY

A homage to father figures

THE CHIEF
By Lance Morrow
(Random House, 249 pages, $23)

Journalist Lance Morrow suffered his first heart attack in Kansas City on Aug. 20, 1976. It struck him after a long day in front of a Royal typewriter, after he had smoked three packages of cigarettes while he worked on a cover story for *Time* magazine, where he is a senior writer and essayist. Now Morrow's race against his own mortality has finally prompted him to take a highly articulate revenge on mentors and tormentors: politicians, priests—and parents. *The Chief* is a memoir of his childhood and his career in journalism but, most of all, of his father, Hugh, "the Chief"—a journalist himself who became press secretary to Nelson Rockefeller, the former U.S. vice-president and governor of New York state.

Just before his heart attack, Lance met his father at the 1976 Republican party convention, where both were working. They shook hands "like two professionals after a chance encounter." Hugh was in Kansas with Rockefeller. When Rockefeller himself died of a heart attack three years later, it was Hugh who told the media that his boss had died working to the last, in fact—as the press soon found out—Rockefeller was in a town house not with his wife, Happy, but another woman. "Poor Nelson," said Hugh to his son later, "he went out on a banana peel."



Morrow: sharp revenge

For all its irreverence, the younger Morrow's book is both a tribute to the Chief and a homage to "the principle of the father." Morrow finds the father figure everywhere in the God the father of Roman Catholicism, to which his mother converted, in the Jesuit fathers at Gonzaga, a tightly disciplined Washington boys' high school which Lance attended, and in his paternal grandfather, a doctor and a crack shot who did not "go in for the laying on of hands with his children." In a deadpan sentence that is typical of Lance's aphoristic prose, Morrow catches a central image of his father's aura: "He smoked cigarettes with a squint, like Humphrey Bogart."

There are women in the book too, but only Morrow's mother emerges as a strong character—a brilliant but tempestous woman, a journalist herself, who walked out on father and son to marry Robert McCormick, a businessman from Chicago. When the father asks about her, he speaks in a voice "by long habit cooled down to a temperature just above irony."

Growing into manhood away from his mother, the younger Morrow adapted his father's ironic detachment in preference to the devout worldliness he learned from the Jesuits. The professional observer comes through in scalpel-sharp probes of the men of power who stride through the Morrows' lives—Richard Nixon ("intelligence resting on a bed of fatalism"), John Kennedy ("the galvanizing force of star quality") and Henry Kissinger ("death-dealing rhetoric"). He has his own sons now, Jamie and Justin. The power of *The Chief* is so compelling, it leaves the reader hoping the corrosive Morrow style will carry over into a third generation.

—CY JAMISON



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The aristocrats of heroism

WAR IN VAL D'ORCIA
AN ITALIAN WAR DIARY 1943-44
By Iris Origo
(Beaverbooks, 239 pages, $13.50, paper)



Italian partisans, unusual generosity

Iris Origo was an unusual war heroine. During the two violent years recorded in her Second World War diary, published as *War in Val D'Orcia* in England in 1947 but never before released in North America, she did not lead any partisan attacks on Italian fascists or cut German supply lines. In fact, she and her husband, Antonio, the Marchese Origo, came to understand the evils of fascism only late in the war. Italian dictator Benito Mussolini's government looked approvingly on the efforts of the Origos to reclaim La Foce, a huge feudal-style estate in a barren valley of Tuscany, 160 km north of Rome. When they bought it as newlyweds in 1924 it was a soil-eroded wasteland.

By the time the Second World War broke out they had built it into a fruitful collective of 50 tenanted farms. The Origos provided capital, expertise, schooling for the children and a health centre for everyone, in turn, the tenant farmers, according to Tuscany tradition, shared their crops with them. Origo's diary chronicles the certain and steady destruction of all she and her husband had created—except the bonds between themselves and the people of the valley.

War placed Iris Origo in a difficult position. She was American by birth, her father was an American diplomat, her mother an Englishwoman. But her father died when she was 8, leaving instructions that Iris was to be raised "somewhere where she does not belong"—because he wanted her free of the taint of nationalism. Her mother chose Italy, the cosmopolitan and privileged Italy of the Villa Medici, near Florence, where Iris spent her adolescence. War made Iris's new homeland an enemy of her old. Her reaction would have pleased her father. She did not pick sides but simply extended the sphere of her care from the people of La Foce to all who needed help: partisans, POWs, refugee children, Jews, German deserters and even an occasional fascist.

By the end of 1943 the southern half of Italy, under Marshal Badoglio, had expelled Mussolini and signed an armistice with the Allies. North of Rome, Italian civilians waited for liberation, but with mixed feelings—usually it was Allied bombers that dropped destruction on them. It is clear from the diary that all the war-makers disgusted Origo; she based her ethic of care on a strong belief in the value of individual lives and "the relationship of individuals to one another."

Throughout the diary Origo stresses the heroism and generosity of the people around her—particularly Italian peasants, who constantly risked their lives to help the strangers passing in a steady stream through La Foce. She mentions the parts she and her husband played matter-of-factly, as if what they did were acts anybody might do. Still, they were in constant danger of arrest and execution—she, particularly, as an enemy alien—because La Foce's reputation as a haven spread throughout the North.

The diary ends with the Origos leading an extraordinary exodus from La Foce, shepherding 50 dependants, 23 children and four infants among them, through a bomb-scarred landscape to safety in the town of Montepulciano, which lay beyond the main path of the advancing allies. Origo's comment: "It is a very odd feeling to be entirely possessionless, but it seems curiously natural. One feels that one is, at last, sharing the common lot."

Forty years have passed since the end of the war that destroyed La Foce, and much else in the world. It is a fitting anniversary memorial to that war to read an account that glorifies not soldiers or politicians but those who practised an ethic antithetical to war: the responsibility of individuals for one another.

—ANNE COLLINS

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A struggle for acceptance

FOREIGNERS
By Barbara Sapergia
(Coteau Books, 302 pages, $4.95, paper)

Barbara Sapergia's first novel, *Foreigners*, draws on family history to paint a moving portrait of an immigrant Romanian family in the southern Saskatchewan badlands. Sapergia's grandmother often talked about the tragic death of a grandson after two British-trained local doctors performed a clumsy tonsilectomy. Out of that event, Sapergia, a Saskatchewan-based short-story writer and playwright, has created a story as tragic as it is beautifully written. The Dominescu family's efforts to come to terms with the death of little Trian becomes a focus for their continuing struggle for acceptance in the new land.

After the doctors leave the Dominescu homestead, the family tries to bury Trian's small corpse—only to find that they have broken the law by failing to obtain a death certificate. When the father confronts one of the doctors in his town office, the physician has local toughs throw him out. Meanwhile, another son, Nicu, falls in love with Margaret Chisholm, a spirited young woman from one of the area's finest Anglo families. Ultimately, the Dominescus realize that only by training their remaining children in the laws and ways of the new land will they survive.

A novel of oppression and adaptation, *Foreigners* is also a warm tribute to Romanian culture. It describes aromas of *tsuica* (plum brandy), *sarmale* (cabbage rolls) and roast lamb wafting through scenes of family weddings and get-togethers, dancing and music are shown as uninhibited acts that mark the value of celebration in immigrant life, and those passages convey a joy of living so palpable that its sheer sensuality transports the reader.

The newcomers' adjustment to life on the Prairies in the early 1900s was a harsh and bittersweet experience that still lives in the prairie psyche. The conviction that life is essentially a struggle to survive still dominates the West, and *Foreigners* effectively conjures up that firmly held belief. It is also the major source of the book's power. As well, Sapergia adeptly uses the idioms and gutteral rhythms of the Romanian language to add to the rich texture of her tale. In her first novel she has produced a work that will delight many readers by giving the family memories of "foreigners" a universal expression.

—MICHELLE HEINEMANN

ART

A bold visionary of the forbidden

By Gillian MacKay

The seven figures in Eric Fischl's 1980 painting *A Funeral* stand huddled together in an arid American desert landscape filled with cacti and rocks. They all watch stiffly as a man sprinkles funeral ashes on the ground, except for a boy in the foreground who stares self-consciously out at the viewer. At Saskatoon's Mendel Art Gallery, where a major Fischl exhibition opened Feb. 7, the U.S.-born artist and former Nova Scotia resident discussed the painting with viewers. The boy's discomfort with the banal ritual mirrored the artist's own experience over the death of his mother, a troubled alcoholic, in 1970. Said Fischl in his flat, nasal accent, shifting from one foot to the other and flashing a shy, sudden grin: "Because I'm a fairly uptight guy, I always had this fantasy that in the face of death, I would suddenly be able to say everything that needed to be said." He continued quietly: "But when I actually experienced death, it shut me up."

Most people remain silent about their deepest fears and desires. Fischl paints them. His explicit, raw-textured portraits of physical and psychic nakedness tear through the comfortable fabric of middle-class life, turning background barbecues and motel swimming pools into lurid stage settings for sexual anxiety and spiritual alienation. His searing, yet often tender vision of America at play has made him, at 36, one of the leading painters on the continent. Since Fischl embraced his current style of figurative painting in the late 1970s, his rise has been meteoric. Four years ago at Toronto's Sable-Castelli Gallery he had his first commercially successful show. The most expensive work sold for $3,500. Now, prices at New York's high-powered Mary Boone Gallery range as high as $100,000.



Fischl's Christian Retreat, a tragic world of struggles with sex and death

The current exhibition of 21 works, organized by Montreal curator Bruce Ferguson, attests to the close ties with Canada forged during the artist's four-year teaching stint at the Nova Scotia College of Art and Design (NSCAD) in Halifax in the mid-1970s. The exhibition, whose itinerary has escalated along with Fischl's fame, will travel to Eindhover, Basel, London, Toronto, Chicago and New York over the next two years, making it the most extensive international tour ever launched by a regional Canadian gallery.

Fischl paints what he refers to ironically as "the big subjects"—incest, homosexuality, autoeroticism and the sexuality of children. Often the perspective is that of a young boy, crossing the border from innocence to experience in a spirit of shame and hostility. In the bold, dreamlike *Sleepwalker*, an adolescent boy masturbates in a child's swimming pool within sight of two empty lawn chairs which act as threatening parental substitutes. For Fischl, the anxiety caused by repression is the problem, not the boy's emotions. He told *Maclean's*, "I started out wanting to paint this big confrontational picture, but it ended up as an almost touching, tender moment."

Fischl's world is essentially a tragic one in which human beings are locked in their ancient struggles with sex and death, with no possibility of spiritual redemption. But he tempers his anger with a vivid sense of beauty and, increasingly, what he describes as "a more mature, ambiguous acceptance of reality." In the mischievous *Christian Retreat* (1980), the spiritual emptiness suggested by a neglected Bible and vacant lounge chair is offset by an exuberant splash from the pool in the foreground. And the spirit of compassion with the victim in *A Woman Possessed*, a brutal portrait of an unconscious alcoholic discovered by her son, implies a faith in growth through understanding. Fischl recalls with pride that the painting helped his own family open up about the past. "Exposure can be therapeutic," he said.

Fischl's painting, although seldom as specifically autobiographical as *A Woman Possessed*, reflects his childhood background. He was raised in suburban Long Island and Phoenix, Ariz., one of four children of an Austrian-born businessman and his American wife. Fischl, who later discovered that he was an unwanted child, recalls a deep sense of alienation and depression from which he subsequently found an escape in painting. His struggle to find his artistic voice was long and difficult. He began his career as an abstract painter in the early 1970s, when the conventional wisdom among the avant-garde was that all painting was dead. By contrast, Fischl came to believe increasingly in the old-fashioned idea of the artist as an interpreter of daily life. Said Fischl: "It was a burning issue for me to create painting that could carry meaning."

In 1974, invited by his former teacher and friend, Allan Hacklin, to teach painting at NSCAD, Fischl began to introduce imagery into his work, slowly acquiring the basic drawing skills that his advanced art school training had denied him. Four years later he moved to New York at the urging of his girlfriend,

April Gornik, a painter. In the past he had self-righteously avoided the city, shunning its false glamor and commercial corruption. "In truth," he said, "I couldn't admit my own ambition."

In New York he encountered a new, dynamic generation of figurative painters rebelling, like himself, against the orthodoxies of modernism. "New York was a challenge," he recalled. "It said, 'Put up or shut up.' " Soon after his arrival, Fischl confronted his personal and professional demons in a single, grand gesture. The result was *Sleepwalker*. When a curator who had been a former supporter denounced the work as reactionary and inept, it was a major turning point. Said Fischl: "After being raked over the coals, I realized I was still alive and there was nothing more to fear. The only thing left was the desire to do the work."

Now, he says, that desire burns more strongly than ever. To the band of old friends and colleagues who joined him for the opening in Saskatoon, he appears as warmhearted and unpretentious as ever. Said Toronto gallery owner Jared Sable: "He is not too big for his britches. He knows Canada is where it all started." For all his sophistication, Fischl remains an innocent abroad in a nihilistic age, laying himself open—and inviting his viewers to do the same. ☆

MACLEAN'S BEST-SELLER LIST

Fiction

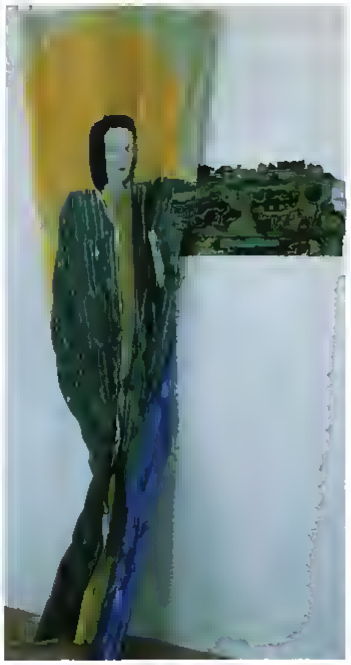
1. **If Tomorrow Comes**, *Sheldon (5)*
2. **The Sicilian**, *Puzo (4)*
3. **Strong Medicine**, *Hailey (1)*
4. **The Talisman**, *King and Straub (2)*
5. **The Fourth Protocol**, *Forsyth (3)*
6. **So long, and thanks for all the fish**, *Adams (9)*
7. **Since Daisy Creek**, *Mitchell (6)*
8. **First Among Equals**, *Archer (7)*
9. **Not Wanted on the Voyage**, *Findley (8)*
10. **The Aquitaine Progression**, *Ludlum (10)*

Nonfiction

1. **Iacocca**, *Iacocca with Novak (1)*
2. **A Day in the Life of Canada**, *Edited by Cohen (2)*
3. **The Promised Land**, *Berton (4)*
4. **What They Don't Teach You At Harvard Business School**, *McCormack (5)*
5. **Sea of Slaughter**, *Mowat (6)*
6. **Loving Each Other**, *Buscaglia (8)*
7. **The Traders. Inside Canada's Stock Markets**, *Ross (3)*
8. **Tiger, A Hockey Story**, *Williams with Lawton (8)*
9. **Public Money Private Greed**, *Corcoran and Reid (9)*
10. **Gretzky**, *Gretzky and Taylor (10)*

() Position last week

The forms of rebellion



Blackar's Mada In '84 *a tidal wave of anargy*

In the 1970s most sculpture dealt with the abstract propertica of art itself. But increasingly a new generation of sculptors is addressing the issues of everyday life more directly—as a new sculpture exhibition, *Space Invaders*, which opened on Feb. 1 at Regina's Mackenzie Art Gallery, makes clear. British sculptor Kate Blacker, whose work is included in the show, comments on the trend in the accompanying catalogue: "I've no sympathy for the Bohemian in an ivory tower." Instead, the nine sculptors from Canada, the United States, Britain and France, chosen by guest curators Bruce Ferguson and Sandy Nairne, share a fascination with the surface and substance of popular culture and its relationship to high art. *Refrigerator*, a standard General Electric model slathered in thick white paint by France's Bertrand Lavier, and *The Argo Unmanned*, by British artist Edward Allington—a model of the mythical ship resting absurdly on a cresting wave of pink fish—are among the highlights of the engaging show, which will travel to Regina, Vancouver, Calgary and Montreal over the next seven months.

A spirit of inventiveness abounds in *Space Invaders*. That spirit is expressed most strikingly in the use of images and materials, as if the artists' abandonment of formalist constraints had created a tidal wave of creative energy. American sculptor Ken Little's *Poke*, an uncannily lifelike hog fashioned largely from old stiletto-heeled shoes, and Jean-Luc Vilmouth's *Stereo Morning*, a replica of a stereo system emerging from a tree trunk, are bold, arresting images that comment wittily on the clash between nature and civilization. The artists' attitude toward those objects of popular culture is more critical than celebratory. *Golden Pavilion*, Allington's souvenir-shop model of the Parthenon perched on an arc of plastic stones, deals ironically with the debasement of classical ideals in modern life. And Britain's Blacker reveals a potent fear of the dehumanizing advance of modern technology in *Made in '84*, in which she has painted the image of a woman composed from electronic parts on a large fanlike piece of sheet metal.

At the same time, the number of mechanized and computerized works in the exhibition indicates that sculptors today are at home with technology as never before. In *Heart of a Dog*, by Roland Brener of Victoria, B.C., the viewer activates a button which causes two metal dogs in a cage to snarl viciously at one another. The most powerful work in the show is U.S. artist Jonathan Borofsky's *Chattering Men*, five eight-foot, 11-inch wooden men whose jaws move to the monotonous tape-recorded sound of "chatter, chatter, chatter ..." Gradually the ceaseless drone of the robotic figures becomes a terrifying indictment of the informational overload in modern life. In Canadian artist Tony Brown's *Two Machines For Feeling*, the projected image of a female figurine whirls about in a plastic cage, while a metallic male figure makes slow karate-style motions in her direction. The imprisonment of men and women in stereotypical roles is the obvious message. Subtlety is in short supply in this raucous and flamboyant collection. But after the cold perfection of the abstract sculpture of the 1970s, the exuberance of *Space Invaders* is refreshingly welcome. —GILLIAN MACKAY

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COLUMN

Liberals don't mess with *flesh*



By Allan Fotheringham

The thing about Canadian politics is that it really is the true north strong and free. It's all out front. What you see is what you get. The philosophical cut of the parties is such that you can determine by their sins which guilty segment you are dealing with. Canada is a nation of absolutes. The crimes delineate our souls. Show me the scandal and I can tell you the political party. By their faults ye shall know them.

The current flurry of fumbles attending the Regressive Convertible party of Canada proves all this. The silly trauma of Defence Minister Bob Coates's sitting in a sleazy strip bar outside a Canadian military base in West Germany, trying to avert his eyes from the porno movies on the screen, could only happen to a soon-to-be-zapped Conservative minister. Who else would, in the early days of a squeaky-clean PC government, pay $100 for six drinks for a stripper with a heart of gold but a *Tory* minister? Who else indeed?



ROY PETERSON

The point is, we know we no longer have a Liberal government in power. How do we know? Because the Grits deal in so much more sophisticated methods of stupidity and venality. Liberals do not go openly to strip clubs. Instead they phone judges. They fix up clear conflict-of-interest contracts with former Liberal cabinet ministers. When they don't phone judges they say injudicious things about judges who don't agree with Liberal cabinet ministers and, therefore, are cited for contempt of court. They do all sorts of nasty things but, being Liberals, they don't get messed up with *flesh*.

Ah, the poor Tories. Being out in the desert so long, so bereft of the delights of power, so passionate in their beliefs, they tend to lose their heads and give in to their bodily desires, their consummate ambitions. It could only be the Conservative party where a Colin Thatcher (he didn't do it while a Liberal) murders his ex-wife and mother of his children. Only a Tory such as Richard Hatfield could get into such an alleged fix as he is allegedly in, an open man who never could have made it on the upwardly mobile ladder of a Liberal law firm.

Bob Coates, talking earnestly with some stripper in a sleaze bar, is essentially an innocent Tory, a man who has spent decades on the Conservative back benches, waiting for power, a man outraged by The Night Of The Long Knives that did in Diefenbaker but who sees nothing wrong with hanging loose at 2 a.m. in a porno joint while military personnel wait for him. With such innocence the party of Sir John A. has been kept out of power 60 of the 80 years of this century.

One can go back to the days of Gerda Munsinger, a fleshy German tart who helped to tarnish the Diefenbaker image after a wiretap in her bedroom supposedly recorded the thump of a minister's wooden leg on the floor before the love-making. The CBC's celebrated Larry Zolf, when knocking on the gentleman's Montreal door with a camera attendant, was grazed by a wild swing of the chap's cane—which Zolf to this day proudly recounts as his "Citizen Cane" on almost every possible occasion.

Great heady days, folks, all of them Tory days, mainly because the Liberals with their pointy noses all into the accounting books have no time for sins of the flesh. They are more interested in sins of the books.

The Liberals are epitomized by the horses on the payroll at Petawawa, which was about the greatest fun John Diefenbaker ever had in sticking it to the Grits. The other great Liberal trick was letting Rivard out to water down the ice rink in prison, when it wasn't even freezing. But take a real Conservative, the disguised Social Creditor Phil Gaglardi, who as highways minister of British Columbia was fined for contempt of court, was convicted of speeding, of dangerous driving, was hauled down by a motorist after running over a dog and speeding away and, once in the legislature under heavy attack, cried passionately, "If I tell a lie it's only because I think I'm telling the truth."

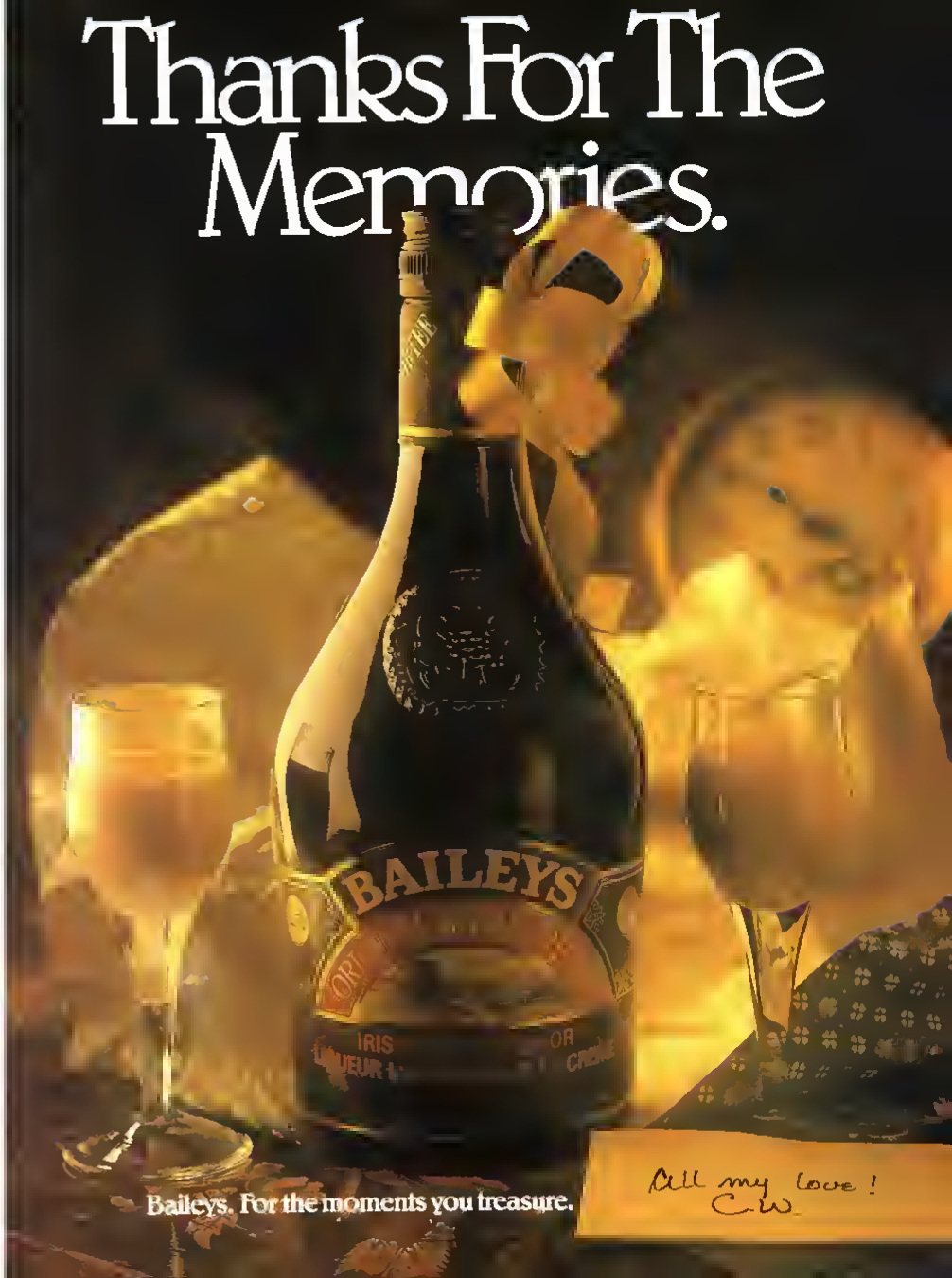
Power, said Henry Kissinger—in a maxim that may outlive his other accomplishments—is the greatest aphrodisiac of all. Mackenzie King either realized this decades earlier or pretended to deny it when he used to roam the streets of Ottawa to "reform" doxies who had strayed from their mothers' strictures. A recent cabinet minister in the strait-laced Peter Lougheed government was recently caught in the same rehabilitation mode.

The Liberals always get off because they exist in the realm of numbers, of what are now called word-processors, bloodless ciphers who know how to work the system and can never be caught. I prefer, actually, the delightful George Hees (now still a wise choice as Mulroney's veteran's affairs minister), who was adjudged a participant in the Munsinger caper.

The next Press Gallery Dinner was backgrounded by a magnificent nude mural of Gerda, some 40 feet horizontal. As everyone watched, George was escorted in by his journalist host. "I don't think," said George, deadpan, "they have the eyes quite right."

Allan Fotheringham is a columnist for Southam News.

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